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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Heath attacks Tory tactics

Mr. Edward Heath last night urged Conservatives to forget their "unworthy" war against scroungers and Left-wing MPs and get on with the job of formulating positive policies which could unite the nation. Back Page

The Commons voted for an all-party Committee of Privileges to investigate whether Conservative MP Mr. Iain Sproat's allegations that some Labour MPs were "crypto-Communist fifth-columnists" was a breach of Parliamentary privilege. Page 18

Rhodesia death toll mounts

The Rhodesian counter-offensive against Nationalist guerillas has risen to a new level. A communique claims so far this week that 73 have been killed for the loss of two white soldiers. Page 8. Mr. Anthony Crosland, the Foreign Secretary, is prepared to go to Geneva if this would prevent the collapse of the Rhodesia conference. Back Page and Page 18

20,000 take part in cuts demo

Well over 20,000 demonstrators joined the march from Hyde Park to Westminster protesting against the Government's expenditure cuts. Mostly public sector workers and students took part in the biggest show of trade union protest since the official TUC demonstration against the Industrial Relations Act five years ago. Back Page

Second expulsion order served

A second American, Mr. Philip Agee, has been told he is to be deported from Britain. Mr. Agee, a former CIA agent, has written a book about CIA activities and is working on another.

Hotel battle

Four gunmen seized 150 hostages in Amman's Intercontinental hotel yesterday. In a pitched battle with security forces three of them, named by the Jordanian Government as members of the Palestinian Black June organisation, were killed. At least four other people also died.

Missed World

Three more contestants in the Miss World contest, Miss Malaysia, Miss Seychelles and Miss Sri Lanka, have been withdrawn by their Governments in protest at the participation of South African entrants. The organiser, Mrs. Julia Morley, fears further walkouts at the last minute, in addition to the seven already announced.

Blow to authors

The Public Lending Right Bill's chances of being enacted this session were virtually eliminated early yesterday when debate on amendments was adjourned.

England lose

England were beaten 2-0 by Italy in Rome in a key World Cup football qualifying match. Page 2. Scotland beat Wales 1-0; France beat Ireland 2-0.

Briefly . . .

Prince Charles, in command of the minesweeper HMS Bronington, was last night leading a Channel search for a couple feared drowned from their yacht.

Mr. Len Murray and Mr. Jack Jones were involved in a car crash in Spain last night. They were shaken but not seriously hurt.

Condemned Utah murderer Gary Gilmore, who has called for his own execution, tried to prevent his recovery from a drugs overdose by pulling out intravenous medical tubes.

Mr. Reg White and Mr. John Osborn, winners of the Tornado class in the Olympic regatta this summer were elected joint Yachtsmen of the Year. Page 11

Belfast firemen ended their ban on tackling terrorist blazes.

BUSINESS

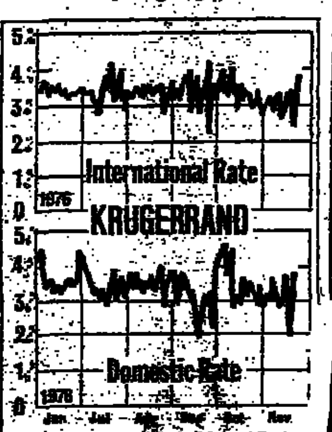
Equities rise 0.9; gold off $1.75

● EQUITIES showed a late improvement, encouraged by the strength of sterling in early New York dealings. FT 30-Share Index, which was off 1.4 at 3 p.m., closed at 311.1 for a gain of 0.9 on the day.

● GILTS were strengthened by sterling's performance and news that the medium tap stock, which made its debut last Friday, had been exhausted. Government Securities Index gained 0.05 to 57.97.

● STERLING gained 1.70 cents to $1.6600. Its trade-weighted depreciation narrowed to 45.1 (45.6) per cent.; dollar's widened to 2.22 (2.11) per cent.

● GOLD fell $1.75 to $132 in fairly quiet trading. Krugerrand held up slightly better than



bullion, the premium over its gold content widening to 3.2 per cent. for domestic and international delivery.

● WALL STREET rose 2.74 to 938.68.

● BANKAMERICA released details of its new voluntary disclosure code, under which it will reveal hitherto withheld information about the bank's operations. Page 37 and Lex

U.K. recovery hopes fade

● ECONOMIC RECOVERY hopes have received another setback, with official figures showing that gross domestic product was virtually unchanged in the third quarter, while consumer spending showed only a slight and possibly temporary increase. Back Page; Editorial comment Page 20

● CBI leaders will meet the TUC economic committee next week to try to agree on a joint approach to wage restraint next year. CBI appears to favour tight pay controls, with the major concessions being granted on tax. Back Page

● EXPORTERS may have to pay higher premiums for export credit insurance next year. Page 10

● BRITISH STEEL Corporation lost £43m. in the six months to September and will have difficulty achieving its target of breaking even this financial year. Back Page

● UNION representatives should be given half the seats on management boards running Government ministries and local council departments, according to a Fabian Society document. Page 15

● SHELL AND ESSO are close to conceding State participation in their offshore oil reserves. Page 12. Petrol will cost more than 95p a gallon in the Irish Republic from Saturday. Rises of up to 6½p a gallon have been approved.

COMPANIES

● UNILEVER pre-tax profit rose to £153.8m. (£116.8m.) in the third quarter, taking the nine-month total to £408.3m. (£219.0m.). Page 31 and Lex

● WOOLWORTH made pre-tax profit of £22.85m. (£21.7m.) in the nine months to October 31. Page 30 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treasury 8½pc '80-82	£83¼	+ ¼
Allen Harvey & Ross	305	+ 10
Berec	218	+ 6
Eva Inds.	43	+ 4
Furness Withy	183	+ 5
Guinness Peat	242	+ 5
Haggas (J.)	280	+ 16
Hammerson "A"	250	+ 7
Hunting Gibson	110	+ 8
Imry Prop.	117	+ 5
Manganese Bronze	121	+ 2½
Montfort Knitting	84	+ 4
Norman Wilson	138	+ 4
Ultra Electronic	51	+ 3
Union Discount	280	+ 10
W. Ribbons	37	+ 3
Warnford Invs.	148	+ 5
Woolworth (F. W.)	46½	+ 2
BP	700	+ 4

FALLS		
EMI	206	− 4
Epicure	22	− 2½
Fisons	262	− 5
Whatman-Reeve Angl.	158	− 17
Willis Faber	155	− 5
Barymin	38	− 5
Charter Cons.	123	− 6
EZ Industries	250	− 20
Grootvlei	38	− 9
Loraine	87	− 8
Pancontinental	800	− 60
St. Helena	£12	− ½
Western Deep	820	− 30

Japan stands firm against curbing exports to Europe

BY CHARLES SMITH: TOKYO, Nov. 17

Japan is not proposing to announce any significant new restraints on its exports to Europe before the EEC summit meeting on November 29 and is firmly convinced that "everything we can do is being implemented."

This was said to-day by Foreign Ministry officials in the aftermath of two days of talks in Brussels between senior officials of the EEC Commission and a Japanese mission led by Mr. Bunroku Yoshino, Deputy Foreign Minister.

At the talks the Japanese side apparently came under severe pressure to give ground on the issue of trade restraints to Europe but it is being claimed officially that new important commitments were not entered into.

According to the official version in Tokyo of what came out of the talks, Japan has indicated that its share of the U.K. car market will not exceed 10 per cent. of total registrations during 1976, but has made no commitments about 1977. Since the Japanese market share on the figures so far available stands at 9.6 per cent., this cannot be considered a major commitment.

Japan has also agreed "because we could not really refuse" to a demand from the EEC for bilateral talks on world shipbuilding problems. The Japanese say that they have responded positively during discussions by the Organisation for Economic Co-operation and Development on shipbuilding and probably continue to feel that bilateral talks with the EEC will serve no particular purpose.

Japan will study ways to increase imports of European foods and farm products, including dairy products, biscuits, whisky and sweets. It is not guaranteed that anything can be done in this sector before the EEC summit and officials clearly dislike the suggestion that "proposals" are to be offered to the EEC to increase food imports.

Embarrassment

EEC demands for increased imports of food products are being described in Tokyo as not very clear and officials are saying that there is no guarantees that efforts in this field will succeed.

The tough official reaction to EEC pressures reflects an overriding fear that if Japan is seen to give in to Europe on trade issues it can expect to be faced with similar demands from the United States. Japan is reluctant even to publicise fully the extent of restraint agreements already entered into with Europe let alone to announce a new series of "voluntary" export curbs.

This does not alter the fact that Japan is manoeuvring to head off a crisis in its trade with Europe. The means chosen probably will be a "spontaneous" and unannounced slowing down of certain types of exports to the EEC and perhaps a major increase in imports.

The effects of these policies may become apparent by early next year, but the Japanese are saying firmly, that they cannot accept the EEC summit on November 29 as a deadline for decisive action.

David Buchan reports from Brussels: The European Commission clearly is embarrassed at the force of the Japanese reaction to EEC demands for trade concessions. Having publicly called for concessions by the date of The Hague summit of EEC heads of government at the end of this month, EEC officials to-day were suggesting that this should not be considered a firm deadline.

But, while still hoping for the best, the commission at the request of member states has been examining what unilateral action EEC states can take collectively against Japan in the shipbuilding field—the area in which Brussels is most concerned about Japanese competition.

Editorial Comment Page 20
Japan trade deficit Page 8

IMF team stays on and package date is delayed

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE TIMETABLE for the Government's negotiations with the International Monetary Fund and the Cabinet discussions on the expected economic package appears to have slipped by about a week from what was generally expected until only a few days ago.

It is understood that the size of the package now being discussed within Whitehall has grown over the last fortnight and figures of more than £2bn. are now being mentioned as possibilities. This may reflect the impact of comments by the IMF team though the outcome is still completely uncertain and the Cabinet decision on any cuts in public spending or increases in taxes will wait the completion of the talks with the IMF. There is known to be strong opposition from several Ministers to a package of this size.

The IMF negotiating team, under Mr. Alan Whittome, will now continue its discussions with the Treasury until well into next week.

It now looks increasingly likely that the Government's package of economic measures will not be announced until the middle of December instead of the beginning of the month as was widely suggested last week.

Discussions with the IMF are now at the delicate stage of comparing views on possible approaches to policy and this is clearly taking some time.

Mr. Harold Lever, who has been having talks in Washington for the past two days, has apparently failed to alter the U.S. Government's view that there should be no substantive discussions about sterling balances—at least until the U.K. has begun to carry out the conditions for the IMF loan.
Page 7

The revision by the Treasury of the projected public sector borrowing requirement for 1977-78 from £9bn. to £11bn. on unchanged policies is undoubtedly a complicating factor, given the IMF's known interest in the borrowing requirement and monetary aggregates and the Cabinet's desire to minimise the impact on economic activity and unemployment of any package.

Detailed discussions on the terms for an IMF loan only started at the beginning of the week. Until then the IMF team is understood to have spent much of its time trying to establish which Treasury projections represent merely hopes and which are realistic projections.

If approval for an IMF loan and the payment of the first instalment is delayed the question arises of whether the $5.3bn. central bank standby credit facilities will be extended for a month beyond the present December 9 repayment date.

A later announcement of economic measures might also allow the Government to give a clearer indication of its hopes and plans for any new arrangements for the sterling balances.

The Treasury has always been careful not to give a precise indication of how long the IMF team might stay. But when Mr. Whittome and some of his colleagues first arrived a fortnight ago it was widely understood that they would be here for two weeks or so.

Trawlers to stop Iceland trips

BY MALCOLM RUTHERFORD

THE BRITISH trawling industry is preparing to stop all new sailings to the waters off Iceland within the next few days.

The decision is being taken in the expectation that fishing will become impossible when the present Anglo-Icelandic agreement expires on December 2.

According to industry sources, about 12,000 jobs will be at least temporarily lost—10,000 on Humberside and 2,000 at Fleetwood.

A joint meeting of the Humberside and Fleetwood County Councils will take place to-day with a view to making representations to the European Community, which is now in charge of the Icelandic negotiations.

In contrast to previous fisheries disputes, the industry is unlikely to ask the Government to provide naval protection. Nor is there any sign that the Government would comply, if asked.

Industry spokesmen said yesterday that by the week-end there would be simply no point in the trawlers setting out. The voyage to the fishing grounds takes about four days and it requires about ten days' fishing to make a trip worthwhile.

The next round of negotiations is not due to begin until November 25 when Mr. Finn O. Gundelach, the Brussels Commissioner at present responsible for the Community's external relations, goes to Reykjavik, but there is no hope that this will prove conclusive.

The chances of Iceland agreeing to an extension of the present agreement while negotiations continue are also regarded as non-existent.

Since that agreement was reached last June, the number of trawlers in service for the Icelandic trip has already declined from 105 to about 80.

The agreement allowed a maximum of 24 trawlers to be on the fishing grounds at any one time.

To maintain that figure requires an overall fleet of about 50, but the industry has been practising work-sharing to prevent too sudden a rundown. There is, therefore, already a good deal of concealed unemployment.

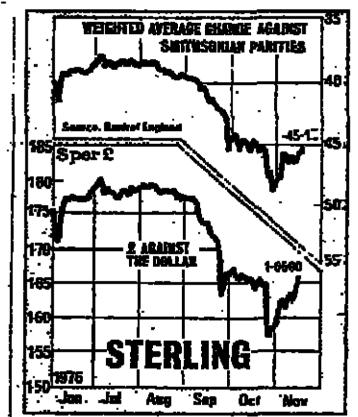
The industry would like to see the figure of 24 preserved in a new agreement with the Community but in practice this is most unlikely.

In time, some of the vessels may be able to be redeployed elsewhere, but this will depend on implementation of the Community's Common Fisheries Policy.

Richard Mooney writes: The loss of the Icelandic fishery would mean the U.K. would have to depend for cod supplies on its own catch from the North-east Arctic, the Faroes, and waters around its own shores, plus imports. This would certainly mean higher prices.

Quayside price levels are already at the highest for some time, at £30-£35 per 10-stone kit, against about £22 a kit before the last cod war. The full effects of the reduced fishing effort enforced by the final U.K.-Iceland agreement are only now being felt.

For latest Share Index 'phone 01-246 8026



Pound up 1.7 cents to $1.66

BY MICHAEL BLANDEN

The pound rose sharply yesterday on further buying from New York, ending the day's trading in London with a gain of 1.7 cents at $1.66. Later in New York it closed at $1.6645.

The strength of sterling helped bring further price rises in the gilt-edged market after the early morning news that supplies of the new 1982 "tap" stock, of which £600m. was issued last week, had run out.

Improved sentiment in the market reflected optimism about the results of a visit to the U.S. by Mr. Harold Lever, Chancellor of the Duchy of Lancaster, and the prospects for the IMF credit.

Dealers reported that there were growing hopes of a satisfactory U.K. economic package and moves to deal with the problem of the sterling balances.

Reversed

The market said there were signs that speculative positions built up against the pound were being unwound and that leading and lagging operations by big companies were being reversed.

Demand for sterling took the dollar rate to nearly $1.6650 at one stage, while the pound's effective depreciation from December 1971 levels (calculated at rates lower than the best levels reached in late dealings) narrowed from 45.6 per cent. to 45.1 per cent.

The rise in the pound helped produce a late rally in the gilt-edged market. The Financial Times Government Securities Index ended 0.05 higher at 57.97.

Meanwhile, in spite of a shortage of funds' rates in the money market were again indicating a possible fall on Friday in Minimum Lending Rate from its peak of 15 per cent.

£ in New York

—	Nov. 17	Previous
Spot	$1.6640-6651	$1.6420-6480
1 month	1.51-1.46 dis	1.48-1.44 dis
3 months	4.15-4.08 dis	3.96-3.91 dis
12 months	13.20-13.10 dis	13.25-13.15 dis

Hattersley blocks bread price rise

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MR. ROY HATTERSLEY, the new Prices Secretary, yesterday effectively over-rode the Price Commission's decision to let bakers raise their prices and so set a precedent in prices policy.

He was immediately attacked by the industry, which accused him of acting in defiance of the Prime Minister's stated intention of letting profits recover in the private sector.

The Minister announced a two-part package aimed at ensuring that "the price of a standard loaf remains as low as possible." The package seems certain to reduce bakers' profits over the next few months and could squeeze retailers' margins on bread next year.

It could mean that the price of bread will stay at its present level in most shops until Christmas, with price cuts of 2p or 3p a loaf in some supermarkets in the New Year.

In the short term, Mr. Hattersley has effectively blocked a price rise of ½p a loaf already cleared by the Price Commission—by refusing to raise the statutory maximum retail price beyond its present level of 20p a loaf. Certain other bread prices, however, will be free to go up.

He has also decided to postpone a planned cut of ½p in the existing 1½p subsidy until January, when the manufacturers are also likely to start raising their prices to retailers.

The second part of his package will be timed to coincide with the reduction in the subsidy in January. At that time, he will remove the limit on discounts which the bakers can give their retail customers. It was imposed by his predecessor at the department, Mrs. Shirley Williams.

Competitive

The abolition of this limit will be coupled with enforcement of a new range of maximum prices under which retailers obtaining the biggest discounts will have to sell at the lowest prices.

Both parts of the package are aimed at exploiting market forces to blunt the effect of a price rise. Though the statutory maximum price on bread relates only to retail prices and not to the price at which bakers can sell their products to the shops, the effect of not raising the maximum price next month, when the ½p increase is due to come into effect, will be to stop the bakers raising their prices.

Bread is such a competitive market it is doubtful whether any one manufacturer will risk losing sales by raising prices in advance of his competitors.

In the same way, although many supermarkets are selling bread at well below the current maximum price and are therefore theoretically free to raise their prices, it is doubtful whether many will take advantage of this freedom.

Last night the bakers were considering whether to implement the price rise cleared by the Price Commission, but indications were that they would not do so immediately.

The restraining effect on prices of the removal of discounts will depend for much of its success on retailers using their buying power to squeeze improved terms out of the bakers.

Undermined

Both the retailers and the manufacturers are seriously worried that the new price limits could reduce profits on bread, but judging by the provisional list of prices circulated for discussion yesterday, the new arrangements would, in some cases, do little more than cement the existing profit structure.

Only if the retailers get better terms from their suppliers than the present 22½ per cent. discount will any really significant price reductions result. Moreover, the price reductions may not make much impact in the shops since their effect will be undermined by the cut in the subsidy, which will add another ½p to costs, and yesterday's postponement of the ½p price increase.

On top of this there is the prospect of another round of price increases from the bakers.

In effectively blocking the bakers' price rise—due to come into effect on November 29—the Minister made new use of his powers to establish maximum prices. Until now these powers have only been used on subsidised foods and the Minister has never before refused to raise a maximum price once the Price Commission has given the go-ahead for an increase.

Last night both the Food and Drink Industries Council and the Retail Consortium cited Mr. Hattersley's intervention on bread as a "dangerous precedent." The new Minister had apparently acted in defiance of the Prime Minister's views.

The retailers also warned that small shopkeepers, many of whom are already charging 20p for bread, could be put at risk by Mr Hattersley's action if the bakers decided to put up their prices.

The bakers themselves were still studying the implications of the removal of discount limitation, but said they saw no justification for the "arbitrary interim move" in advance of longer-term measures.

News Analysis, Page 14.

LOMBARD

Current account obsessions

BY ANTHONY HARRIS

ONE POINT on which nearly all the warring parties in the present economic debate would agree is that a major aim of policy should be to get the balance of payments right, and that this statement means getting the current balance right. There is, to be sure, disagreement about the answers to this problem. New Cambridge would tackle it through import controls, new monetarist through the borrowing requirement, and New Orthodox (the school I discussed yesterday) would argue that some deficit, to match part of the surplus of OPEC oil exporters, would help to save the world from slump. They are all agreed, though, that the current balance of payments is terribly important.

This used not to be so before the war. People worried about reserves, when they were inadequate, and exchange rates when they collapsed: they worried about unemployment, and it was to protect employment that they argued for trade restrictions. As Lord Kaldor likes to point out, Britain had a general tariff on manufactured imports in the 30s, and a very fast domestic growth rate. The British trade record was not so impressive, and the current account was rotten: but nobody worried about that. The balance of payments was after all a monetary affair: if the market was calm, nobody brooded over the statistics.

Why did we start worrying about the current balance after the war? The question was raised by John Forsyth of Morgan Grenfell at the recent FT European Banking conference in Stockholm. He pointed out that the current account became the touchstone after the Bretton Woods agreement in 1944.

To justify

The reason, I suspect, was the same as the reason for the forgotten scarce currency clauses: Keynes was determined to set up rules under which the economies of Europe would be free to fix exchange rates which enabled them to compete effectively with the U.S. Otherwise we might have settled to a world in which everyone but the U.S. was in current deficit, balanced by a supply of U.S. investment funds—a road to total American domination. The current account criterion was meant to justify devaluations which might otherwise be resisted as unfair.

Unfortunately this did not solve all problems: at first only the vanquished countries accepted, perforce, the low valuations and low living standards which this test suggested. Britain, hampered not only by democratic expectations, but by the reserve role of sterling and all sorts of myths about the City, was reluctant to walk through the door so carefully wedged open by Keynes, and imposed all sorts of restrictions on outward capital movements in order to protect the reserves.

Thus we reversed the pre-war regime: in place of free finance with some restrictions on trade, we had increasingly free trade with undiminished restrictions on financial movements. The intended result was to maintain a higher value for sterling than would otherwise have been the case—for if capital had been free to flow out, and the exchange rate had responded to the whole balance of payments rather than just the current balance, sterling would have been devalued much earlier.

Determination

The result was over-valuation of the currency and *over-investment* (this last is my gloss on Forsyth, but a fair one, I think). Here is a single explanation which seems to embrace both the poor competitive performance and the poor return on capital investment which has hampered us for so many years. If anything, the post-war recipe was even more poisonous than the pre-war one.

We have now, with luck and bad management, achieved the kind of devaluation which could encourage the inward flow of investment which would both re-equip the economy, and take the current balance of payments largely off the agenda; but there are two very big provisos. First, it must be an objective of national policy to maintain the real internation value of the pound fairly stably from now on *and not let it rise*; and as soon as possible we must also achieve the Government's objective of stabilising its internal value. As Forsyth points out, it takes years to alter the structure of the economy to take advantage of a real depreciation of the currency; and in a world of floating rates, that means skill and determination. There is little sign yet that either is likely to be forthcoming.

SALEROOM ANTONY THORNCROFT

Persian folio fetches £280,000

This Stubbs portrait of Bandy sold for £60,000 at Sotheby's.

A FOLIO—one leaf—from the Shahnameh, one of the most important Persian manuscripts to appear at auction, was sold at Christie's yesterday for £280,000, plus 10 per cent. buyer's premium. It was bought by Colnaghi, the London picture dealers. All told, seven folios from a work which originally amounted to 759 folios were sold for £785,000, three times Christie's estimate.

The Shahnameh was produced in the early 16th century by a group of leading Persian artists and calligraphers. It has belonged to the Sultans of Turkey and the Rothschilds but since 1959 it has been in the possession of Mr. Arthur A. Houghton, a former president of the Metropolitan Museum of Art, New York. He has given 78 folios to the museum and has sold seven. He disposed of another representative seven yesterday for this sum to establish a value for the collection.

The top price, a record for a Persian work of art, was for The Death of Zabhak, attributed to Sultan Muhammad. The London dealer Mahboubian gave £100,000 for a painting of Nushirvan receiving an embassy, attributed to Mirza'Ali. The other five folios ranged in price between £65,000 and £95,000 and were bought by London, French and American dealers.

After the Houghton Shahnameh there was a general sale of Islamic and Indian works of art which totalled £97,177. Highest price was £28,000 from the Paris dealer Soustiel for a royal Ottoman manuscript of the history of the prophets.

Christie's sold an important British book—William Caxton's edition of Chaucer's Canterbury Tales, published at Westminster about 1484. It is a second edition, but the first illustrated edition, and only the fourth illustrated book to be printed in England. Dawson paid £48,000 for it yesterday, a price within the estimate. The sale of early printed books brought in £218,342.

There were surprises in an important sale of British paintings at Sotheby's which totalled £266,030. This is a rather uncertain market, and while certain sections, such as sporting pictures and portraits, did well, some highly regarded paintings failed to sell.

A George Stubbs painting of the Earl of Grosvenor's horse Bandy, so-called because of a bent fetlock, went to an anonymous buyer for £60,000. Richard Green gave £34,500, more than twice the estimate, for another equestrian scene, George IV's Persian Horses Being Taken Out for Exercise, by Henry Bernard Chalon.

Sotheby's wine sale brought in £57,260, with plenty of foreign dealers present. Coins added a further £53,558, and a top price of £2,100 for a Pattern third guinea of 1776.

At Zurich yesterday Sotheby's set a record auction price for a watch when a Zurich dealer paid £49,875 for a silver and gold watch of 1810 by Breguet.

At the Phillips ceramics auction, top price was £3,600 for a large Bohemian overlay goblet and cover in white glass. The sale totalled £43,050.

SPORT

The gloom thickens as England lose 2-0

SOCCER

BY TREVOR BAILEY

ROME, Nov. 17.

ITALY BEAT England by two goals to nil in the Olympic Stadium here to-day, a scoreline which just about illustrated the difference between the teams in a World Cup qualifier which was not a classic example of international football.

On this showing, England must surely—for the second successive time—say goodbye to qualifying for the final stages of the Cup in 1978. There is simply no way that an unbiased supporter can visualise this England side pulling back the necessary margin in the return match a year from now at Wembley.

Italy displayed a skill and an understanding which we could not match. This was emphasised by the fact that Italy's goalkeeper was only called upon to make two real saves. Indeed, there was a desperation to many of our clearances, whereas the Italian defenders never lost their composure.

Don Revie, England's manager, picked his side for a draw, and its obvious limitations in technical ability were ruthlessly exposed. As a result, the front-line did not receive the service required, although it must be admitted that Keegan, Bowles and Channon never even approached the brilliance of Causio, the Juventus star.

England fought with admirable determination, but their lack of skill and understanding at this level was disappointing. Sadly, after two years, Don Revie is still seeking the ideal combination. Although work-rate and effort are essential ingredients, much more is required from serious contenders in the World Cup.

GROUP II

	P	W	D	L	F	A	Pts
Italy	2	2	0	0	6	1	4
England ...	3	2	0	1	6	4	4
Finland ...	3	1	0	2	9	7	2
Luxemburg	2	0	0	2	2	11	0

The start of this vital match was predictably rather physical, with Italy displaying more finesse and England leading on fouls committed. The Italian centre forward, Graziani, was first softened up by a heavy tackle from McFarland, and then felled by Clement, but the Israeli referee controlled what could have become a difficult situation extremely well.

Italy provided most of the early pressure, with both England fullbacks looking distinctly unhappy. It was just as well that Hughes was on hand to provide cover in depth, while Greenhoff helped out on numerous occasions.

Italy took the lead they deserved following yet another free kick for a high tackle. The goal was scored by Antognoni, with the aid of a slight deflection.

England forced their way back into the game after half-time and secured a couple of corners, yet they were never able to suggest the same threat as Italy. Once, Bowles cleverly slipped a defender before making a pass inside the back which resulted in a free kick, while Greenhoff's shot went well over the bar following one of England's few good attacking moves.

Italy's second goal was quite superb. It was originated by the trickery of Causio and completed by the head of Bettega.

In a desperate effort to salvage the situation, both Greenhoff and Cherry forced good saves, but Italy ended very definitely on top.

In the centre of the half-back line, Greenhoff gave a fine performance and Brooking did well, but the forward line was off-key, though handicapped by lack of real opportunities. The English back line, in which Hughes covered well, was more impressive for its destructive than for its constructive policies. No doubt the best side won on the day.

Don Revie said later that the whole team had done their best and he had no complaints. He added that the first goal was "desperately unlucky — Ray Clemence would have had it but for the deflection by Keegan."

Revie said about the Group Two qualifying prospects: "It is out of our hands now, but we must hope that Finland or Luxemburg can upset the Italians. The second goal was a great goal — beautifully made by three great players."

Revie, who had predicted a 1—0 England victory before the game, said of the defeat: "I suppose a 1—0 victory for Italy would have been a fair result. They were very lucky with that first goal because it flew off Kevin Keegan into the net. Who knows what would have happened if he had not deflected it? It may have even gone wide of the goal."

RACING BY DOMINIC WIGAN

Late Night Extra can win

FRED WINTER'S Uplands stable has no gamer inmate than the nine-year-old *Late Night Extra*, and Mr. Nicky Henderson's mount is sure to return to a noisy reception if he can add to his impressive Kempton record in to-day's Gamecock 'Chase.

Although he has a formidable task in trying to concede 1 lb to Monfire, who has already shown his well-being with an encouraging fourth placed effort behind the Uplands representative, Wayward Scot, in Sandown's Hampton Court 'Chase just under three weeks ago, I expect Late Night Extra, a winner here on his seasonal debut last year, to achieve his third course victory.

Two other interesting runners from Uplands are Alaska Highway, who goes for the Richmond Novices Chase, and *Green Pound*, among runners for Division II Part II of the Vauxhall Novices Hurdle.

Alaska Highway, a half-brother to that smart hurdler, Westward Hoe, did well to win novice events at Lingfield and Fontwell early last season and he was subsequently far from disgraced against much stiffer opposition in Stratfords' SKF hurdle for Future Champions, won by the Dunce, and in the National Spirit Challenge Trophy, which went to Comedy of Errors.

Alaska Highway, at one time a useful performer on the flat, is reported to be coming right back to form and if this is the case he may cause a surprise.

However, one he seems unlikely to contain on this occasion is that extremely consistent hurdler, *Julian Swift*.

Green Pound, a good fourth of 18 at Punchestown on his final appearance last season, when he was trained in Ireland, can create an upset by outpacing the ex-French six-year-old, Brave Kid.

In the first part of that event, I intend looking no further than to *Island Prince*,

KEMPTON
12.00—Ice Breaker
12.30—Island Prince***
1.30—Late Night Extra**
2.00—Pooh Bear
3.00—Julian Swift
3.30—Green Pound

STRATFORD
1.45—Never Rock
2.15—Miss Poker Face*
3.15—Ballygarvan Brook

TV Radio

† Indicates programme in black and white.

BBC 1

9.41 a.m. For Schools, Colleges. 12.25 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.00 You and Me. 2.14 For Schools, Colleges. 3.53 Regional News (except London). 3.55 Play School. 4.20 Astronut. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 The Oddball Couple.
5.40 News.
5.55 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Sykes.
8.10 Kojak.
9.00 News.
9.25 Miss World 1976.
10.30 Omnibus: Culture — Who Needs It?
11.20 To-night.
11.55 Weather Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 5.55 Wales To-day. 6.45-7.10 Heddiw. 11.55 News and Weather for Wales.

Scotland—9.41-10.01 a.m. For Schools: Around Scotland. 5.55-6.45 p.m. Reporting Scotland. 11.56 News and Weather for Scotland. 11.58-12.28 a.m. Bonn Comhraidh: Talking Point.

Northern Ireland—2.14-2.34 p.m. For Schools: Ulster in Focus. 3.53-3.55 Northern Ireland News. 5.55-6.45 Scene Around Six. 11.55 News and Weather for Northern Ireland.

England—5.55-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.00 p.m. Tennis: Benson and Hedges Championships.
7.00 News on 2 Headlines.
7.05 Your Move.
7.30 Newsday.
8.10 Top Crown.
8.35 The Book Programme introduced by Robert Robinson with R. D. Laing.
9.00 The Hollywood Musical: "Rose Marie," starring Ann Blyth and Howard Keel.
10.40 Late News on 2.
10.50 Family Portrait.
11.20 Tennis: Benson and Hedges Championships (highlights).

LONDON

9.30 a.m. Schools Programmes. 12.00 Animal Kwackers. 12.10 p.m. Pipkins. 12.30 Women Alone. 1.00 News. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 South Riding. 3.20 Heart to Heart. 3.50 Emmerdale Farm. 4.20 The Little House on the Prairie. 5.15 Bless This House.
5.45 News.
6.00 To-day.
6.25 Crossroads.
7.00 Thursday Adventure Film: "Beau Geste," starring Guy Stockwell.
9.00 This Week.
9.30 NUTS.
10.00 News.
11.30 The Crezz.
11.30 Phyllis.
12.00 What the Papers Say.
12.15 a.m. London Scene.
12.25 Close: Tony Bridge meditates on the Old Masters.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Romper Room. 4.45 Anita in Jumbleland. 5.15 David Nivens World. 6.00 About Anglia. 6.20 Arena. 7.00 Sex Les. 7.30 Thursday TV Movie: "Manhunter." 11.30 George Hamilton IV. 12.00 Ski-ing With Gina. 12.30 a.m. The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.20 Batman. 4.45 Space 1999. 6.00 ATV Today. 7.00 Cartoon. 7.15 The Thursday Mystery Movie: McMillan and Wife. 11.30 Gardening Today. 12.00 Barrie Allcott: a newcomer to ATV's screens, begins a series of epilogues.

BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.20 Island of Adventure. 5.15 David Niven's World. 6.00 Border News and Lookaround. 7.00 Thursday Adventure Film: "Fire Down Below" starring Rita Hayworth and Robert Mitchum. 11.30 Gardening Today. †12.00 Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 4.20 The Adventures of Pinocchio, No. 7. 4.50 Lost In Space. †6.00 Channel News and Weather. †6.10 Link Up. 7.00 Star Movie: "How to Steal a Million." †10.30 Survival. 11.00 The Crezz. †11.55 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 5.15 Wildlife Cinema. 6.00 Grampian Today. 7.00 Feature Film: "The Biggest Bundle of Them All" starring Raquel Welch, Robert Wagner and Edward G. Robinson. 10.30 Sportscall. 11.10 The Crezz. 12.10 a.m. Evening Prayers.

GRANADA

1.20 p.m. Take Kerr. 2.25 Born Free. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Cartoon. 6.40 Lucky Feller. 7.15 The Thursday Film: "The Stranger." 11.30 What The Papers Say. 11.45 Police Surgeon.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.20 The Woody Woodpecker Show. 4.45 Return to the Planet of the Apes. 5.15 Breaktime 5. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 Adventure Film: "The Gypsy Moths" starring Burt Lancaster and Deborah Kerr. 10.30 The International Latin American Dancing Awards. 11.15 The Thursday Mystery Movie: Columbo.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.35 Seren Wib. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.20 Tarzan. 5.15 Animal Alphabet Parade—"Z." 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Feature Film: "Halls of Montezuma" starring Richard Widmark and Jack Palance. 10.30 Trident Science Awards. 11.15 Late Call. 11.20 Moneywise. 11.50 Love American Style.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.20 Betty Boop. 4.25 The Wild Wild West: "The Night of the Hangman." 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 11.30 Southern News Extra. 11.40 Chopper One.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 2.25 Born Free. 4.20 Cartoon Time. 4.30 The Thursday Film: "Tarzan and the Trappers," starring Gordon Scott. 6.00 Northern Life. 10.30 Play Soccer—Jack Charlton's Way. 11.00 Access. 11.30 The Mary Tyler Moore Show. 12.00 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 3.48 Ulster News Headlines. 4.20 Black Arrow. 4.45 Castaway. 5.15 Here's Lucy. 6.00 UTV Reports. 7.00 Emergency. 8.00 The Crezz. 10.30 Countryscene—Portaferry, Co. Down. 11.15 Whats It All About?

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 The Adventures of Pinocchio. 4.50 Lost in Space. 6.00 Westward Diary. 7.00 Star Movie: "How to Steal a Million," starring Peter O'Toole. 10.30 Westward Report. 11.00 Westward Late News. 11.03 The Crezz. 11.55 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.25 The Company Men. 4.20 Cartoon Time. 4.30 "Tarzan and the Trappers," starring Gordon Scott. 6.00 Calendar (Emley Moor and Belmont editions). 11.30 Pro-Celebrity Snooker.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Simon Bates. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.48 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Don Davis's Just For Fun. 7.30 David Allan's Country Club (S). 9.02 Folkweave (S). 10.02 Sports Desk. 10.06 Syd Lawrence and His Orchestra (S). 11.02 Jean Challis with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Falla (S). 9.50 MacDowell's Piano Sonatas. 10.20 Masters of the Lied. 11.05 Brahms concert, part 1 (S). 11.55 Interval Reading. 12.00 Brahms, part 2. 1.00 p.m. News. 1.05 Bradford Midday Concert. 2.00 "Alceste": Tragédie lyrique in a Prologue and five acts, music by Jean-Baptiste Lully. Prologue, Act 1 (S). 3.00 Alceste Restored (talk). 3.15 "Alceste," Acts 2 and 3. 4.20 Interval Reading. 4.25 "Alceste," Acts 4 and 5. 5.25 Guitar Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (contd.) (S). 6.30 Lifelines: The Wider World. 7.30 BBC Symphony Orchestra, part 1: Berlioz (S). 8.10 Thoughts in a Landscape. 8.30 Concert, part 2: Ravel (S). 9.30 The Case of Vladimir Bukovsky, based on a transcript of the trial (S). 10.40 Andre Watts piano recital: Scarlatti, Liszt, Chopin (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF
‡ Medium Wave only

6.25 a.m. News. 6.27 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day. 7.00 News and more of To-day including Sports News, To-day's Papers and 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of To-day including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. ‡9.05 These You Have Loved. ‡10.00 News. ‡10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 You, The Jury. ‡11.50 Out of the Corner of My Eye. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Word! (S). ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. ‡2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio Precisely including 4.0-4.05 News. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Top of the Form. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Any Answers? 8.00 Real-Life Love Stories. 8.45 Analysis: David Steel, MP, in conversation. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

For Schools (VHF only)—9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Carry On Councillor. 9.20 John Toogood with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run, including London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Soul 77. 10.03 Late Night London. 12.00 Closedown. As Radio 2.

London Broadcasting

261m and 97.3 VHF

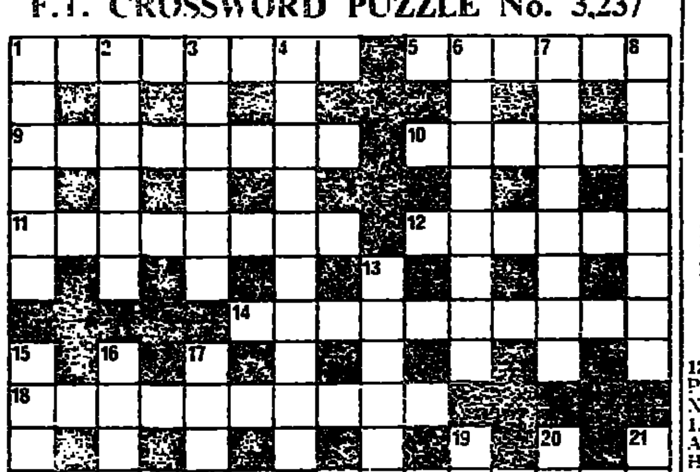
5.00 a.m. Morning Music. 6.00 "AM"—Breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

†6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Adrian Love: Open Line. 9.00 Your Mother Wouldn't Like It: Capital's heavy rock show. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,237



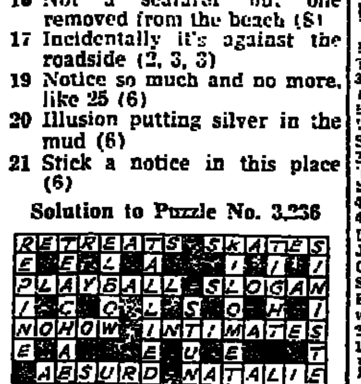
ACROSS

1 Chinaman going to become bankrupt (3-5)
5 Drink sociably and peg one at cribbage (6)
9 Peg in front of operetta (8)
10 Mad people talk endlessly (6)
11 Guide has time for people travelling cheaply (8)
12 He goes in curves and bends (6)
14 Passively creating interference with friend (10)
18 Now then! Pry, it could be a bargain (10)
22 Worthless attempt to take in wood (6)
23 Trees to turn reed instrument (8)
24 Presents for party going in all directions (6)
25 Gun returned with a note to adjust (8)
26 One who suffers in Cromarty rainstorm (6)
27 See this and think the same (3-2-3)

DOWN

1 Stand after work and resist (6)
2 Guard protecting ship coming into port (6)
3 Make better soldiers take shape (6)
4 Sailor asking for a cancellation (10)
6 Obsessed with an idea, like a record (3-5)
7 Vegetarian food package, concisely when in it (8)
8 A sweet target (5-3)
13 Stopping place on eastern railway for supply of paper (10)
15 True maps designed to show direction of current (8)
16 Not a seafarer but one removed from the beach (8)
17 Incidentally it's against the roadside (2, 3, 3)
19 Notice so much and no more, like 25 (6)
20 Illusion putting silver in the mud (6)
21 Stick a notice in this place (6)

Solution to Puzzle No. 3,236



Lyttelton

Tartuffe

by B. A. YOUNG

Molière's rhymed couplets, that in English translation so often sound embarrassingly like pantomime jingles, are treated by the Théâtre Nationale Populaire without too much regard for the French theatre's traditional respect for verse. The TNP actors even go so far as to sppress the usually-voiced final e's if by sounding them they detract from the conversational quality of the speech. Tartuffe is good comedy, but I doubt if much of a claim could be put forward for its merit as opetry, and the company's attitude to it seems to me a sound one.

The unexpected slowness of Roger Planchon's production is not due to any mouthing of the verse. It is due to the great amount of comic business that he has put into it—pleasant business, for the most part, organised with a touch of formality, a consciously rhythmic progress, that suits the play well. But it takes up a lot of time. The scene between Mariane and Valère, virtually organised by the servant Dorine as she gives her advice to each, is almost a pas de trois in its attractively symmetrical movement. I began to wender what time it would be before we ever saw M. Planchon as Tartuffe.

The pace remains slower than we are accustomed to throughout the evening. I felt little tension as Tartuffe made his approaches Elimre with Orgon under the table; he took such a time about it that she seemed the guiltier party of the two before he actually got around to anything. As for the last act, with the bailiff and the officer and a remarkably rough incursion of troops, the exciting changes of ofrtune that ought to make it so good hardly raised by blood-pressure at all.

Though I complain about the speed of the production, I was delighted by the acting. Lucienne le Marchand sets the pace as she whacks about with with Mme. Pernelle's cane in the first scene, and Arlette Gilbert sets off on the endless pelas of laughetr that signal her presence in almost any circumstances. When Guy Tréjan comes in, resplendent in white-and-gold, we see at once that Orgon is a man of subsance, and his subsequent humiliation is genuinely moving, foolish as he is. Géard Guillaumat and Patrick Messe are perhaps too much alike physically to make ideal casting as Cléante and Damis; I think of Damis as about Valère's age; but MM. Guillaumat and Messe both play bravely.

Colette Dompietrini and Luc Ponette are an attractive young couple as Mariane and Valère. As Elmire, Nelly Borgeaud is admirably restrained the first time we see her with Tartuffe, who has a telling way of touching her lightly but significantly even when he is talking about some remote subject; later, when she is actually presenting herself as bait, she seems wickeder.

M. Planchon, square face under straggly hair, a slouching walk and an ingratiating manner, plays Tartuffe broadly; one of his opologies to Orgon ends with him crawling to the door on hands and knees, yet in his moment of triumph he can seem Napoleonic.

I wish I liked him as much as director and I do as actor. The production seems to me wilfully eccentric to no purpose. It it played in what seems to be a ruined chapel, a series of flats revealing slightly less ruin with each act. The Orgons' sitting-room has an enormous mural painting of the Massacre of the Inoncents on the walls, and a great brass horse spanning a mirror, a sheet hung over part of it. Trestles are left in all the rooms, used to make ad hoc furniture, such as the vast table Orgon crouches under, so invisible as almost to be out of mind. The final scene seems to be taking place in an old castle, lit only by candles and boasting what looks like the machinery of a drawbridge showing through the window. An angel with a fiery sword and a figure of Christ overlook the action from the flies.

The point of all this escapes me. Is the company supposed to be playing in the sets of another production? If so, does this sharpen our appreciation of Molière's satire? Not mine, at any rate; on the contrary, it distracted my attention from what seemed otherwise an interesting production of a play as relevant to this decade as it was to the 1660s.

Gérard Guillaumat and Arlette Gilbert

Leonard Burt

Ramon Remedios, Anne Howells and Geoffrey Chard

Coliseum

La Belle Hélène

by MAX LOPPERT

John Copley's Offenbach production returns to the Coliseum, for a run planned to extend through the Christmas holiday period. Measured against an ideal standard of stylishness that may well not have obtained at Offenbach's own Théâtre des Variétés, it is a rather deplorable evening—shambling, low-farcical, full of easy sight gags and loose, friendly anachronisms as a substitute for hedonism and elegance. Yet, with a cast of highly agreeable comedians, punching out the dialogue and swimming into the action with rare good will, it is also somehow, an enjoyable entertainment.

Anne Howells is back in the title role, a knockout from first moment to last. She sends her lines out into the audience as though she had been playing burlesque for year—the best burlesque, that is, where broadness can be tamed by a sudden access of high style, where the performer contrives to suggest beauty, glamour, absurdity, wit and disarming self-mockery, all in the same instant. As Miss Howells is the natural mistress of all those attributes, the extras she brings to the role become especially admirable, as well as delightful—the care for the music (the phrasing of "Dis-moi, Venus" was uncommonly seductive), the bloom on the tone, the piquant undertow of melancholy.

Ramon Remedios has the physique for Paris, and the voice as well, though in the early stages it failed to flow with sufficient confident smoothness; later on, as the High Priest of Venus, he sang as zestfully as he danced. Excellent, gamy contributions, within the wink-and-nudge routines prescribed by Mr. Copley, from Geoffrey Chard (Agamemnon), Eric Shilling (Calchas) and Shelagh Squires (Cleone); the playing of the King of Salamis and Locris as a pair of queens is toned down, to welcome effect, by Ashton Smith and Niall Murray. Clive Timms, the conductor, failed to make the dance rhythms sway and enchant with quite the hypnotic potency we know they can have; there is also room for greater langorousness with the tunes. As the English National Opera has started calling in expert outside conductors for its Strauss and Léhar, why not invite Jean Périsson for a round of Offenbach performances next time?

Record review

La Bonne Chanson

by MAX LOPPERT

Faure: Melodies. Felicity Palmer/John Constable. Argo ZRG 815 (£3.50).
Ives: Songs. Dietrich Fischer-Dieskau/Michael Ponti. DG 2530 696 (£3.59).
Schumann: Liederkreis, Op.39. Frauenliebe und-leben, Op.42. Janet Baker/ Daniel Barenboim. EMI ASD 3217 (£3.50).
Bel, Musgrave, Nørgård etc.: Songs. Dorothy Dorow/instrumentalists/Daniel Bell. CRD Caprice RIKS 59 (£3.80).
Verdi, Gluck, Mozart, etc.: Arias. Håken Hagegård/Kungl. Hovkapellet/Carlo Felice Cillario. Caprice CAP 1062 (£3.60).
Meyerbeer, Massenet, Offenbach etc.: Arias, Frederica von Stade London Philharmonic Orchestra/ John Pritchard. CBS Masterworks 76522 (£3.49); cassette 40-76522 (£3.67).

Felicity Palmer's record of Fauré songs devotes its first side to *La Bonne Chanson*. The recording by a soprano of the great Verlaine cycle, a burst of passionate joy of a kind almost unmatched in the song literature, is especially welcome. Its first performer was a baritone, and distinguished baritones have made superb recordings of it—the list includes Panzera, Souzay and Bernard Kruysen (whose version was reviewed on this page earlier in the year); the protagonist of the poems, the "I," is clearly a man; yet the special radiance of the music is perhaps most surely expressed by the voice for which it was intended.

Though the rewards of Fauré's music go deep and last long, its particular fascination is the richly fertile tension set up between the reticence of the musical surface and the strong (if often muted) currents of feeling below. Rarely is the tension stronger, or the balance more perfect, than in *La Bonne Chanson*, a work of which Fauré himself remarked, "I have never written anything with greater spontaneity." Within the calm, pellucid piano figurations, the arched vocal line sending out sealic shapes and phrases, the poised harmonic movement, the glow of feeling is great, and unusually direct.

La Bonne Chanson is easy to sing, hard to get right. The timbre must be bright, passionate and radiant, yet always acutely disciplined by an immaculate legato line, and an utterance of the words effortlessly light and clear, forward and distinct. Miss Palmer, a soprano justly admired for her dexterity, confidence, and ample, vigorous projection, is disappointing. For a start, the recording seems to place a veiled quality over the performances—not the kind of sound in which voice or piano (the smooth, slightly bland pianist is John Constable) can communicate with lucidity or immediacy. More serious is an intermittent want of steadiness in the voice, so that phrases with an energetic ring in the middle suffer squeezy beginnings and bumpy ends. And, with the exception of a "N'est-ce pas?" intimate and gently sustained, the spirit is extrovert—healthy, willing, but insufficiently flexible. On side 2, the other Verlaine cycle (the five songs *De Venise*) goes with greater if still slightly externalised conviction; "Les berceaux" and "Notre amour" are enjoyable. Did Miss Palmer, preparing for the recording, study the rich recorded Fauré heritage of Maggie Teyte, Croiza, Vallin and Bernac? The voice is there, and intelligence in plenty; the polish is missing.

Fischer-Dieskau's insatiable appetite for dominating the entire repertory for the voice takes him into a new and, on the face of it, highly unlikely field—the songs of Charles Ives. The record is by no means only of curiosity value. Rather than the un-American word-delivery (ever so slightly doctored with open a's and r's), it is those familiar features of his art—the constant nuancings and underlinings, the tonal swells and colour applications—that render the performances at first sound, unidiomatic. Yet the best of the Ives songs, those which, in Wilfrid Mellers' words, "discover the richest allegory in personal recollection," find in him an interpreter of rare sensitivity and scrupulousness, alive to the emotional and physical context of the music in a manner that is seldom interfering, often revelatory.

"Tom Sails Away," "Two Little Flowers," that extraordinary Matthew Arnold setting "West London," and the sardonic "In Flanders Field" are the choice items in a collection that is an apt demonstration of the virtues of Ives' song-writing. Even the worst of it—the college imitations of the Lied and the *melodie*, with trite turns of phrase and squirm-making cadences—can be transformed by a sudden, quintessential Ivesian gesture; the surprise, to those who expect from the composer only flailing, knockabout energy, will be the plentitude of simple, lyrical beauty. Michael Ponti, previously associated with the fringes of Romantic virtuoso piano music, is an accompanist of vibrant and involved style.

The Baker/Barenboim Schumann collaboration has been widely praised—so it is with a certain trepidation that I confess to finding it unsatisfying, even disquieting. Ten years ago, Dame Janet's first recording of *Frauenliebe und -leben*, on a bargain label, appeared as an unannounced wonder, radiant of manner, rapt with passion, candour and reticence. The remake is far more assertive, with words relished and shaped with remarkable projectile force and conviction; passing moods are more definitely understood and delineated. But, to my ears at least, the voice is less beautiful. It takes on edge, hovers on the flat side of intonation with surprising frequency, and often, in the mid-range of dynamics, lacks body or clear focus.

Book Reviews are on Page 41

This is not mere canary-fancying; for lost with the unique purity of voice seems to be that freshness of insight, as if by sheer musical wonderment the singer was, and the listener could be re-onciled to the addled texts and sentiments of Adalbert von Chamisso. The *Liederkreis* seeks, and finds, a wide range of dramatic expression. Yet it seems to me a concert-hall kind of expression, without the suggestion of domestic intimacy, the "singing the songs to and for myself" quality, that so distinguished Dame Janet's early Lieder recordings. Barenboim is a sinuous, bell-toned accompanist, a "natural" in this quite as much as in other musical fields; many of his inflexions seem fussy.

From various Swedish sources CRD have published an interesting and unusual batch of releases. Dorothy Dorow, the English soprano long resident in Sweden, sings the short songs commissioned by her from six composers — the title of her recital is *Dorothy Dorow and Friends*; the most familiar "friends" are Thea Musgrave, Per Norgard and Lars Johan Werle — for the 1971 Zagreb Festival concert, the accompaniments being drawn from the basic forces of flute, piano, double bass and piano. Except for the delicate, poetic Norgard song, a wordless meditation, the pieces are trifles—the Musgrave, Primavera for voice and flute is short, decorative and pretty. But for Miss Dorow's impeccably musical singing, clear throughout its wide range, poised and precise, the record is well worth a hearing.

The other CRD record brings forward one of two immensely pleasurable operatic recitals of recent issue, both graced by young singers of clean, beautiful tone, dramatic wit, linguistic versatility, and an abundance of charm. Hakan Hagegard, Ingmar Bergmann's Papageno and the *Capriccio* and *Figaro* Count at Glyndebourne, has a high baritone of fine-grained legato style, its smoothness tipped with a ringing top, capable of bringing even the *Tannhäuser* aria to new life. The record is an interesting combination of familar Verdi thoughtfully interpreted, and the less familiar Mozart (the rejected aria for Guglielmo from *Cosi*), some excellent *Iphigénie en Tauride*, and a number from Werle's *Tintomara* (left untranslated in the copious, garbled sleeve notes). To avoid complete capitulation to Frederica von Stade's album of French operatic arias, I have to say that her tempo for "D'amour l'ardente flamme" seems too slow, and that her "e" sounds need sorting out. Everything else—from *Les Huguenots*, *Mignon*, *Cendrillon*, *Béatrice et Bénédict*, *Roméo et Juliette* and Offenbach—is purest enchantment.

Elizabeth Hall

Williamson's choice

by RONALD CRICHTON

The London Mozart Players are varying their standard fare with five "Composer's choice" programmes, in which distinguished musicians set favourite work of their own against music by other composers which they consider relevant. Last night's guest was Malcolm Wiliamson. His choice cleverly matched diplomacy with fitness. One new and one familiar work by himself (both involving string orchestra), one work each by Mozart (to represent the orchestra's tutelary deities), Bliss (Williamson's predecessor as Master of the Queen's Musick), and two other revered seniors, Shostakovich and Britten.

The scheme was ingenious, but too generous—as usual in this kind of concert, the programme was too long. The Two Pieces of Shostakovich had to be omitted. Long programmes are also dangerous from the point of view of rehearsal time. The London Mozart Players seem to contain a number of new faces, and as the Fugue from Mozart's K 546 showed at the outset, they haven't yet settled down. The conductor was Yuval Zaliouk, whose sensitivity to mood and texture was not, on this occasion, supported by enough firmness in matters of unanimity and accuracy.

Unfortunately the chief sufferer was the new work by Williamson, a concerto for harp and strings called *Au Tombeau du martyre juif inconnu*, inspired by the monument of that name in Paris. Three movements—"The Harp of David," "The Harp of the Exiles," "The Harp of the Angels." The first especially, sounds (not unfittingly) like Bloch, not a question of pastiche but of empathy. Apart from the slightly oriental colour (and touches of wry humour in the quick central panel) there is a note of diaphonous elegy which this composer (in the *Epitaphs for Edith Sitwell* for example) can sustain with an art half-concealed by his use of an idiom not always as innocent as it appears.

More, at this stage, it would be imprudent to say. The performance was uncertain, with a young soloist (Martine Geliot) too nervous to do herself or the music justice, and sketchy string playing. Williamson's Piano Concerto No. 2, with the composer at the keyboard, went with gusto if not always precision—the slow movement is preferable to its breezy knockabout companions. The Bliss was *Music for strings*, of which Mr. Zaliouk conveyed more of the feeling than the muscle. The Britten was the 1943 Prelude and Fuge written for Boyd Neel, one of those early pieces that come up from time to time as fresh as when we first heard them.

Festival Hall

Hungarian State Symphony Orchestra

by NICHOLAS KENYON

Several young Hungarian musicians have made an impression on our musical life during the past year: the pianist Andras Schiff, the most musicianly of the last Leeds Competition finalists; the soprano Adrienne Czengery, a delightful Susanna at Glyndebourne; and Ivan Fischer, the winner of the Rupert Conducting Competition. It was pleasant to welcome the Hungarian State Symphony Orchestra to the Royal Philharmonic Society's concerts, and to find that they display some of the same qualities of careful, unobtrusive shaping, and broad, expansive phrasing as do the younger soloists.

János Ferencsik, their conductor, moulds the music with great sensitivity, but too often misses its excitement. One or two delicate moments in Bartók's *Dance Suite* could not compensate for an overall lack of rhythmic impetus which robbed the music of its barbarism. It is, surely, not Bartók's greatest orchestral work, though when played (as in the second half of this concert) alongside Kodály's *Peacock Variations*, it seems a model of restrained writing, permeated by folk-song but never drawing too directly on it. The Kodály, by contrast, appears a Technicolor orchestral showpiece of far less substance. This went far better, the orchestra finding panache as well as beauty with which to diversify the variations.

The most interesting performance of the evening, though, was Dezsö Ránki's. He played Ravel's Piano Concerto in G, brilliant and metallic in the arpeggios of the opening, sustained and solemn in the slow melody of the slow movement. It lacked the last touch of richness, perhaps, and like the orchestra's playing it was under-projected. But it touched the spirit of the piece in spite of some stylistically curious "jazz" interpolations from the orchestra, and made one want to hear this pianist in the earlier romantic repertoire.

The orchestra began with a tidy, sensible account of Mozart's Paris Symphony which showed all their strengths and weaknesses: good string tone, lacking only brilliance; variable woodwind intonation, but fine flute solos; and solid ensemble which needed more attack and depth. We heard the notes, well played, but we missed the excitement—the élan which made Mozart, after its first performance, "so happy that I went off to the Palais Royal, where I had a large ice . . ."

Broadway, Maida Vale

Paul Goldin

by B. A. YOUNG

Paul Goldin denies that he is a hypnotist, but his show (which is only himself) would be the same if he were, so I will just use the word "hypnotism," if I have to, to mean the manipulation of the sixth sense that Mr. Goldin says we all have and that he can manipulate.

A dozen volunteers flock readily to the stage. (There were 17, but five were sent back to their seats as insufficiently manipulable.) Mr. Goldin, in the intervals of an immensely loquacious and rather common sales spiel, orders them to do various things, snapping his fingers as he does so to emphasise his extra-normal command.

The things they do are not very hard. They scratch themselves in the belief that they are bitten by insects. They refuse cigarettes but accept them when told they are cigars. They do a strip-tease routine. They find themselves unable to release a matchbox.

The Entertainment Guide is on Page 40

They converse in the languages of Mars and the Moon. They believe themselves to be Julius Caesar (in Greece, for some reason) or a bird or a customer at the fish-and-chip joint in neighbouring Kilburn High Road.

Now if hypnotism is to be practised, it must be seen to be practised. All those 12 volunteers did on the night of my visit was to obey the instructions clearly given by Mr. Goldin. It may be that the subjects were under his control, but they may just have been obliging. True, every one of them swore on his honour that he had not been bribed to collaborate; but then if they *were* under Mr. Goldin's control he could easily have instructed them to say that. That they were not professionals was clear from the way they responded; the boy who thought cigarettes were cigars (and smoked three at once, like Roland Kirk's saxophones) did not cut the end of his smokes as an experienced cigar-user might; and the man who spoke Martian and Moon-talk made those two languages very similar and relayed a joke about the Irish that the Martians are currently telling one another as they glide along those canals.

I have seen hypnotists who admitted to hypnotism do wonders beyond belief. An Italian, Aldo Ciccolini (could it have been the pianist?), called an RAF airman to the stage and held a duologue with him in fluent Italian, a language the young man did not previously speak. I have seen a fork bending itself on the table in front of Uri Geller. These are different things from what Mr. Goldin has to offer—a stageful of amiable people doing as he tells them, for one reason or another.

Welsh Drama Company plans for 1977

The Welsh Drama Company opens 1977 with three classics—one by Shakespeare and two from the 20th century.

Bolt's *A Man for all Seasons* with designs by Jenny Beavan. *A Man for all Seasons* opens at the Theatr y Werin, Aberystwyth on January 11 for the week, followed by visits to Theatr Gwynedd, Bangor (January 18-22), and the Sherman Theatre, Cardiff (January 25-29, February 1-5).

Michael Geliot follows his production of *The Tempest* last year with *King Lear*, designed by Jenny Beavan. *King Lear* opens at the Sherman Theatre, Cardiff (February 23-26, March 1-5) followed by visits to the Theatr Clwyd, Mold (March 8-12), the Theatr y Werin, Aberystwyth (March 15-19), the Theatr Gwyned, Bangor (March 22-26) and the Grand Theatre, Swansea (March 29-April 2).

Major Barbara, directed by Ian Watt Smith, opens at the Sherman Theatre, Cardiff, during the week ending May 7. The production visits Aberystwyth, Mold and Bangor in subsequent weeks.

EUROPEAN NEWS

U.S. support for Portugal moderates with $300m. loan

BY DAVID BELL

WASHINGTON, Nov. 17.

THE UNITED STATES has approved a $300m. loan to Portugal and may participate in a large $1.5bn. loan to the new Portuguese Government, according to reports here to-day.

A State Department spokesman declined immediate comment on the reports but officials said privately that they were accurate and that they represent a decision by the Ford Administration, for the first time, to throw its full support behind Dr. Mario Soares' Government.

Last night, in Williamsburg, Dr. Henry Kissinger said that the U.S. planned to announce new aid to Portugal next week, but declined to put a figure on the amount of money involved.

Dr. Soares apparently made an urgent request to the U.S. for help late last month, and the U.S. has given it high priority because of fears that, without new international aid, Mr. Soares' moderate Government might be vulnerable to pressure from the Left.

It appears likely that the U.S. may eventually provide some $800m. of the $1.5bn. package for the Portuguese which follows a stringent austerity programme introduced by the Soares Government.

During the second televised debate with President Ford, Mr. Jimmy Carter said that it was important that the U.S. should assist moderate elements in Portugal and criticised the Ford Administration for not doing much more to bolster the moderates in Portugal in the past.

The $300m. can be advanced by the U.S. Treasury out of its exchange stabilisation fund which does not require formal Congressional approval, but any participation in a larger loan will require the consent of Congress.

The new Carter Administration can be expected to approve the action that has now been taken, although they would have preferred to wait until the new Administration had taken office. Portugal's problems, however, were pressing.

Paul Ellman adds from Lisbon: Confirmation that the U.S. is to lend Portugal $300m. on an emergency basis is seen here as a form of reward to the minority socialist cabinet for the policies it has pursued.

It is undestood that the U.S. was anxious to keep the loan under wraps until after the Socialist Party congress held ten days ago. At the congress, the Prime Minister, Dr. Mario Soares, won a vote of confidence in his minority cabinet's economic policies but was confronted with a substantial left-wing revolt

● Reuter adds: Portugal's tourist trade is beginning to show signs of recovery after two years of crisis, according to statistics released to-day. Government figures showed that the number of foreign visitors in the first 10 months of this year represented an 8 per cent. increase over the same period of 1975.

Brezhnev talks with Tito end

By A. Lebl

BELGRADE, Nov. 17.

SOVIET GENERAL Secretary Leonid Brezhnev left Belgrade to-day, bidding farewell to President Tito with an embrace and a kiss on the porch of the White Palace. A joint communique released later stressed common goals but also identified differences between the two parties and states, mostly by not mentioning them at all.

According to the Yugoslav side, the three days of talks were very open, leaving no room for misunderstandings regarding the international positions and views of either Yugoslavia or the Soviet Union.

Both sides agreed to try and eliminate their differences by discussion. But Yugoslav sources said that several topics had not been touched on. These included China, a world Communist conference, the Balkans (except in the wider Mediterranean context), Yugoslav mediation between the Soviet Union and Egypt, a friendship treaty between Yugoslavia and the Soviet Union (an idea which Yugoslavia would have rejected), the forthcoming Warsaw Pact meeting in Bucharest, the use of Yugoslav port facilities for the Soviet navy, and the touchy ideological question of internationalism. The American elections were briefly mentioned in the context of detente and the necessity to proceed with it.

The comunique states that Yugoslav-Soviet relations have been developing in accordance with the principles contained in earlier joint declarations affirming Yugoslavia's status. These are respect for sovereignty, independence, equality, non-interference in internal affairs, and regard for the right to free choice of different roads of socialist development.

● Reuter adds from Washington: President Ford to-day accepted the resignation of the controversial U.S. Ambassador to Yugoslavia, Mr. Laurence Silberman. Observers viewed the early announcement of the resignation as an apparent attempt to ease strains in relations between the two countries.

Andreotti to visit Washington next month

BY ANTHONY ROBINSON

ROME, Nov. 17.

SIG. GIULIO Andreotti, who last week secured all-party Parliamentary support for an austerity package of more than L5,000bn., is expected to visit Washington in the second week of December for discussions on economic and political questions.

The details of whom he will meet and the timing have not yet been decided, and the U.S. embassy here said that all arrangements were being made in Washington. The Prime Minister's office would only confirm that the visit was "probable."

Formally, Sig. Andreotti will be a guest of the outgoing Ford Administration, but the real purpose of the visit is to get to know key members of the incoming Carter Administration and, if possible, Mr. Carter himself. If Sig. Andreotti were to become the first foreign Premier to meet Mr. Carter since the Presidential elections, it would represent a boost to his position as Prime Minister of a minority Government which depends for its survival on abstentions in Parliament by most parties.

The Italian Government has already made its first contacts with the incoming Administration, thanks to last week's visit to Washington by Foreign Trade Minister Sig. Rinaldo Ossola, who had a series of meetings with experts from the IMF, and probable members of the Carter economic team.

It is considered unlikely that Sig. Andreotti will involve himself directly in any detailed discussion on further Italian borrowing during his visit but, the fact that his Government has pushed through austerity measures and is now trying to get agreement between employers and unions to reduce labour costs is believed to have impressed the U.S. authorities and opened up a possibility of a further emergency drawing in addition to $530m. IMF drawing which has been hanging fire for 10 months. A total of $1bn. is now a possibility, it is believed.

Both the IMF and the incoming administration are likely to be even more impressed if the trade unions agree to measures aimed at raising productivity and reducing the built-in inflationary effects of the automatic cost of living index system. This is the aim of the bilateral negotiations between the trade unions and the employers' association, Confindustria, which started here to-day. The first session got off to a cautious start, with Confindustria insisting on measures needed to raise productivity and lower costs, while the trade unions insisted that they were only prepared to discuss such measures if accompanied by guarantees on new investment and job creation. The unions also reject attempts seriously to modify the existing cost of living index system, beyond the measures already agreed to block the system for annual salaries in excess of 8m. Lire. But the horse trading is just beginning, and Sig. Andreotti has given them a month to reach agreement.

Polish call for police inquiry

BY CHRISTOPHER BOBINSKI

WARSAW, Nov. 17.

THE WORKERS' Defence Committee (WDC) in Poland has appealed to Parliament to set up a special commission to examine the question of brutal treatment of workers arrested after last June's demonstrations and strikes against food price rise proposals and also to determine how many were arrested, sentenced or lost their jobs, it was revealed here to-day.

The appeal states that in 93 out of 96 cases known to the committee in Radom and 46 out of 94 in Ursus, workers said that they had been beaten and their families said that they had seen the traces. Beatings had taken place during questioning and when those arrested were forced to go through a so-called "health path" made up of two lines of police. Despite a few individual complaints to the authorities, the majority of those beaten are afraid to complain publicly, the appeal states. It also suggests—in the light of the similar methods employed by the police in both towns—an examination by the commission of police training methods.

The courts are also criticised for instances of trying the same person twice for the same offence, or sentencing on the basis of incomplete evidence and ignoring complaints in court that the accused had been physically ill-treated. In Radom many of those sentenced were charged under a Penal Code article which made them collectively responsible for all the damage done in the town that day.

The appeal says that those guilty of the alleged excesses be punished and the victims be compensated and that the findings of the commission be made public.

It was also made known to-day that German writer Heinrich Boll had sent a sum of ZL50,000 (nearly £1.500) to WDC member Jerzy Andrzejewski as his contribution to the fund. This sum represents around 5 per cent. of the sum it is estimated that the committee has until now managed to collect.

Confidence on Spanish reform vote

By Roger Matthews

MADRID, Nov. 17.

A RELAXED Spanish Government believed to-night that its constitutional reform proposals were virtually assured of the necessary two-thirds majority to-morrow, when the draft law is put to the vote in the Cortes.

Provisional plans have been made for the Government's huge advertising campaign designed to achieve a solid "Yes" vote in the national referendum that must follow, to swing into action at the week-end. The referendum is expected between December 12 and Dcember 19.

Ministers were encouraged by the absence of over half the Cortes' deputies from the debate when it resumed this morning, and the generally low-key nature of the speeches.

However, older heads warned against the possibility of last-minute surprises and suggested that the ultra-Right-wing opponents of the Government could yet spring a trap.

Discussions in the Cortes again centred to-day on voting systems for the elections that are due before next summer to choose a new two-tier Parliament. Several deputies argued that they were being asked to vote on imprecise proposals such as the method of election for the Lower House—modified proportional representation designed to prevent a "fragmentation" of the chamber.

Prime Minister Adolfo Suarez left the Cortes half-way through the morning to see King Juan Carlos and report progress. Aides reported that he was very optimistic and would soon begin discussions with left-wing opposition parties on the contents of the electoral law.

The opposition, however, is prepared to campaign against the referendum unless the Prime Minister provides greater assurances of full democratic liberties.

Our U.N. correspondent adds from New York: Britain and Spain joined in a consensus of U.N. members to-day in which both States were urged to initiate further negotiations without delay on the question of Gibraltar.

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New Margaux family move

By Our Own Correspondent

PARIS, Nov. 17.

THE GINESTET family, owners of Chateau Margaux, which produces one of the five finest Bordeaux "Grand Cru" wines, to-day took their battle against a Government-imposed solution of their financial troubles one stage further by threatening to put up the vineyard for public auction.

Both M. Pierre Ginestet and his son, Bernard, stressed that a widely reported deal with Credit Agricole, one of France's major semi-public credit institutions, was virtually out of the question.

French savings scheme

BY ROBERT MAUTHNER

PARIS, Nov. 17.

SMALL INVESTORS in France will be protected against an erosion of their savings by inflation under a new measure which President Giscard d'Estaing has asked the Government to put on the statute book by January 1, 1978.

In a letter to M. Raymond Barre, the Prime Minister, M. Giscard d'Estaing rejected a general indexation of savings on price rises which, he emphasised, would undermine the Government's fight against inflation. But small savers, whose resources were limited and who were unable to cover themselves by diversifying or switching their investments, had the right to special treatment.

The President suggested that money deposited in bank savings books up to a specified ceiling—the amount generally mentioned is between Frs.30.000 and 50.000 (about £3.700 to £6.000)—should be indexed on the rise in the cost of living. In return, however, savers would have to accept a lower rate of interest—two or three per cent. instead of 6.5 per cent. as at present—and a transformation of what are currently sight savings deposits into time deposits of several years.

The proposal, part of the President's policy of achieving a fairer distribution of incomes in France, looks simple on paper, but in practice presents the Government with enormous financing problems.

Warsaw coal shortages

BY OUR OWN CORRESPONDENT

WARSAW, Nov. 17.

THE POLISH Press revealed to-day that what is in effect coal rationing has been in force in Poland since the middle of September. Coal supplies for domestic use were being limited in the cities to 1.2 tons for a one-room flat with a kitchen, 1.8 tons for a two-room flat with kitchen, etc. The article says that a similar system was being applied in rural areas.

The reasons for the delay in supplies, which it is said are causing some anger, lie in an increase in the demand for coal by industry—up 2m. tons this year on 1975. Last year's hard winter and transportation difficulties which mean that some 11m. tons of coal were not transported on time in the first three-quarters of this year.

Coal exports, on the other hand, are unchanged at 38m. tons. Added to this is the shortage psychosis which, it is alleged, leads people to board, and the article also hints at speculation.

The article, published both in the daily Trybuna Ludu and in Zycie Warszawy, says that the supply situation has improved, but it admits, "in many places, a fairly large section of the inhabitants is waiting for coal for the winter."

Anti-Nato Athens march

BY OUR OWN CORRESPONDENT

ATHENS, Nov. 17.

ABOUT 25,000 demonstrators to-day chanted slogans against Greek accession to the EEC, and agains Nato and the U.S., when they staged a march to commemorate the third anniversary of the student-lead uprising against the former dictatorsip.

Steel-elmeted riot police backed by armoured cars, tear-gas cannons at te ready, blocked the demonstrators' path to the U.S. and Soviet embassies. Holding Red banners and placards, they chanted "Americans out of Greece," "down with imperialism" and "EEC and Nato belong to the same syndicate."

Opposition parties, mainly the Communists and the Pan-Hellenic Socialist Movement, have been encouraging the belief that the U.S. Government used to back the fallen military junta, and encouraged the Turkish invasion of Cyprus in July, 1974. They also advocate a foreign policy for Greece outside Nato and the EEC.

The Government, which hopes the incoming Carter Administration in the U.S. will help Greece solve its differences with Turkey over territorial rights in the Aegean and in Cyprus, is anxious to avert anti-American incidents.

Last week, the U.S. embassy here issued a statement categorically denying any U.S. support of the fallen junta or involvement in the Athens-led coup that temporarily ousted President Makarios and paved the way for the Turkish occupation of northern Cyprus.

At least 34 people were killed and more than 1,000 injured in the military junta's effort to suppress the revolt in November, 1973, and the day has come to symbolise defiance by Grek youth of tyranny.

East German writers' poet protest

By Leslie Colitt

BERLIN, Nov. 17.

EAST GERMAN writers have taken the unusual step of protesting against their Government's move yesterday which deprived the dissident East German political poet and folk-singer, Wolf Biermann, of his citizenship and banned him from re-entering East Germany.

Nine writers called Herr Biermann a "difficult" writer but one whose "difficulty the German Democratic Republic should be able to tolerate calmly and reflectively in contrast to anarchistic forms of society."

The East German writers, including such names as Volker Braun, Christa Wolf, Stephan Hermlin, and Stefan Heym, say they do not support "Biermann's every word and action" and oppose the "attempts to misuse the Biermann events against the GDR." But they go on to say that Herr Biermann "never left in doubt which of the two German states he was for despite all his criticism."

Friends of Herr Biermann in East Berlin report that East German officials have started "taking inventory" of his belongings in his flat in the Chausseestrasse.

EUROPEAN NEWS

Nato's nuclear weapon lead eroded by Russian advance

BY MALCOLM RUTHERFORD

SOME CONCERN is being expressed in Nato that the alliance's superiority in tactical nuclear weapons in Europe is now being eroded by continuing qualitative and quantitative improvements in the Soviet Union.

Although it is believed that the adverse trends can still be corrected, allied anxiety in this field is a relatively new phenomenon.

The Soviet Union has already gained rough parity with the U.S. in strategic weapons, and the Warsaw Pact enjoys at least a numerical superiority over Nato in conventional forces in Central Europe.

Tactical nuclear weapons — where Nato has long had the advantage — make up the other leg of the defence triad in current Nato doctrine.

Ways of correcting the shift in the tactical nuclear balance are being discussed at the two-day meeting of the alliance's Nuclear Planning Group (NPG) which opened in London yesterday.

The issue of most immediate concern is the possible deployment in Europe of the Soviet SS-20 medium range ballistic missile. This is equipped with multiple independently-targetable re-entry vehicles (MIRVs) and would be capable of hitting all the major cities in Western Europe. According to Nato sources, the Russians could begin such deployment any time now.

Some counter-measures by Nato are already under way. The U.S. announced last month that it will be increasing its air fighter strength in Europe in the course of next year. An additional 84 F-111 fighter-bombers will be based in Britain, and 72 of the new F-15 fighters will be sent to West Germany in an attempt to maintain Nato air superiority.

It has also been confirmed that the new U.S. F-16 fighter is to be given a nuclear capability. This is replacing the F-4 which for years has been the principal delivery system for tactical nuclear weapons in Europe.

Originally it was intended that the F-4 would be succeeded by a series of more specialised aircraft, but the nuclear capability is being added to the F-16 partly to assure the European allies that the role of tactical nuclear weapons is not being downgraded.

It is further stressed in Nato circles that there has been no reduction in the number of tactical nuclear warheads in Western Europe. This remains slightly in excess of 7,000, though there have been some changes in types and in targeting.

A Western offer to reduce the number by around 1,000 as part of an agreement on East-West forces reductions in Central Europe remains on the table.

The NPG—the body which deals with nuclear questions within the alliance—has four permanent members: the U.S., Britain, Italy and West Germany. Current members by rotation are Canada, Greece, the Netherlands and Norway. The U.S. delegation to this week's meeting is led by Mr. Donald Rumsfeld, the Secretary for Defence.

European doubt on U.K. voting

BY ROBIN REEVES LUXEMBOURG, Nov. 17.

THE U.K.'s use of the traditional "first past the post" system for direct elections to the European Parliament will produce a result which seems certain to bear no relation to either the number of votes cast for each party or their relative strengths in Westminster.

This emerges from an unofficial study carried out by the European Parliament Secretariat here on the possible outcome of the first direct election planned for May or June, 1978. This shows that the distribution of the U.K.'s 81 seats on the basis of the last general election result in October, 1974, would give only 30 seats to Labour, 42 to the Conservatives, six to the Scottish Nationalists, three to the Ulster Unionists and none to the Liberals, Plaid Cymru and others.

The sharing of seats using proportional representation, on the other hand, would have resulted in 32 places in the European Parliament for Labour, 30 for the Conservatives, 15 for the Liberals and four for other parties.

Were the present practice of nominating European MPs on the basis of the relative strengths of parties at Westminster continued in the planned 410-seat European chamber (at present there are 198 seats), Labour would get 41 seats, the Conservatives 36, the Liberals two and other parties two.

HOW PROPORTIONAL REPRESENTATION WOULD AFFECT THE EUROPARLIAMENT

European Parliament 410 seats	Present System	Proportional Representation	Best Estimate of 1978 result
Socialists	138	119	123
Christian Democrats	50	38	46
Liberals	50	38	46
European Conservatives	38	33	42
Fianna Fail Alliance	34	31	31
Communists	37	48	43
Others	11	35	19

Britain offered EEC sympathy

LUXEMBOURG, Nov. 17.

BRITAIN will get a sympathetic hearing from its Common Market partners if it requests financial backing to shore up the sagging British economy, and steady sterling, Dutch Foreign Minister, Mr. Max van der Stoel, said to-day.

Mr. Van der Stoel, current President of the EEC Council of Ministers, told the European Parliament that the Nine "have received no requests from the U.K. for financial short-term or medium-term assistance, nor has the EEC Commission [illegible]itted proposals to that effect."

Reuter

EAST GERMAN TOURISM

Eye on the West

BY ADRIAN DICKS IN BONN

YEARS after establishing itself as an industrial power and a winner of Olympic gold medals, the German Democratic Republic is launching a modest, yet carefully thought-out campaign to attract more tourists from the West.

The East Germans clearly wish to expand convertible currency earnings though the West is becoming increasingly concerned about the rapid growth of trade credits to the Comecon countries. But the campaign is also an important sign of the GDR's more relaxed attitude towards the non-Communist world and of its greater self-confidence.

Not least, the drive for more Western tourists throws an interesting light on the degree to which, under the East German system, an ambitious state-owned enterprise can claim to function like its Western counterparts and to be judged by the same criteria. The enterprise is the Reisebüro, or travel agency, of the GDR. Its top management is a small group of men who see themselves competing in the same market as the large travel agencies and group tour operators in Western countries, and therefore obliged to run their business in the same manner.

Apart from the unfavourable East German image prevalent in much of the West, the Reisebüro has had several disadvantages to overcome. The climate is no better than anywhere else in northern Europe, and not good enough to draw large numbers of Western visitors for the beach holidays on the Baltic that are the most popular holiday attraction for East Germans themselves.

Second, the country has a long-term shortage of capacity in the building industry, so that new international standard hotels have to compete with other construction demands, notably the still enormous programmes for putting up new apartment complexes and restoring older housing. Contracts have been given to foreign companies: Swedish firms have built a big hotel at Warnemuende, on the Baltic, and are working on two large new hotels in East Berlin. A further thawing of relations with Bonn might bring in the chronically under-employed West German construction industry, though the East Germans say its prices are too high.

A greater role might also be played by the still large number of small hotels and guesthouses in private hands. Official policy is to encourage these to expand and to modernise. Anyone with experience of the catering trade and about 10,000 to 15,000 marks in hand can get cheap credit from the state to start his own hotel. Although plenty of East Germans have such sums saved and ready to be spent on medium-sized Soviet or Czech cars, few seem eager to go into business on their own. Head waiters or managers of state hotels who might be thought obvious candidates are said to prefer the security — and the hard currency tips—at their present jobs.

All these considerations appear to limit expansion of tourist hotels beyond the present 13,000 beds, most of them in the 27 hotels of the State-owned Interhotel chain (like the Reisebüro, an autonomous corporation under the Ministry of Transport). Therefore, according to Herr Kurt Jaworski, the Reisebüro deputy director-general, efforts will concentrate on a particular section of the market—people interested in the museums, art collections, old towns and castles which the GDR has gone to great pains to restore after war damage, and lovers of opera, ballet, music and theatre, which the East Germans approach as single-mindedly as they do athletics. In both cases, that is expected to mean an overwhelmingly middle-class and probably middle-aged group of Western intellectuals — though there is also scope for special interest groups, among whom several hundred British railway enthusiasts paid homage last year to the GDR's still-working steam locomotives and narrow gauge systems.

The state-owned Reisebüro functions like its Western counterparts, and is judged by the same criteria.

Herr Jaworski feels the Reisebüro is "competing for the sort of people who visit West Germany," and he says the GDR has a lot to offer. The agency offers several culturally-oriented inclusive tours, and one can also visit the country independently by car and benefit from petrol coupons that bring the price slightly below West German levels taking the official exchange rate of 1:1 between the Deutschemark and the East German mark. West Berlin banks sell ostmarks at the ratio of 1:4 but it is illegal to take them into East Germany.

Regarding the British market, East German pricing policy is based on competing holiday costs, though there is generally a few weeks' lag behind Western foreign exchange markets in parity changes. Nonetheless, the Reisebüro is obliged to pay in advance for block bookings in the Interhotels and to earn a profit of its own, so that although it aims to be competitive even in the context of a falling sterling exchange rate it cannot, according to Herr Jaworski, dump holidays at uneconomically low prices.

The corporation's profit target is not disclosed to Western visitors to the Reisebüro's high-rise offices in East Berlin's Alexanderplatz. But Herr Jaworski, who for four years headed the Reisebüro's London subsidiary, Berolina Travel, says confidently: "I know what many of the big Western travel agents make, and I could hold my head up among them."

The East German tourist industry does not so far have to pay for the new hotels required for an increased flow of Western visitors. Money is allocated case by case by the Council of Ministers within the guidelines of the Five Year Plan, which emphasises housing as part of Herr Erich Honecker's policy of raising living standards.

The direct publicity efforts that the Reisebüro will make in Western countries will come from its own resources rather than those of the Government. They are likely to include selective Press advertising (though not the lavish colour full pages recently taken by the Bulgarians and other East European countries) and a lot more material for travel agents to publicise the nine special charter flights being laid on from the U.K. next year for a series of inclusive tours. The East German agency will wait to see how much business all this brings in before spending more.

For the moment, therefore, Western tourists seem likely to remain a small fraction of the total 16m. annual visitors. Detailed statistics are hard to come by, but of 22,000 British visitors in 1975, only 12,000 were tourists booked through the Reisebüro (which in practice probably deals with most of the tourists).

This compared with about 250,000 from other East European countries—and more than 4m. East Germans who took a holiday in their own country. Most of the 8m. visitors to East Germany from non-Communist countries were, of course, West Berliners and West Germans, visiting their relatives and friends.

ADVERTISER'S ANNOUNCEMENT

We'll take more care of you

No 17

British airways ANNOUNCE

Thursday, November 18, 1976

Fly the flag.

Now comes the tale of ten cities

THE FREEDOM OF FRANCE

Around our world . . .

CAIRO: For the first time during the winter months. British Airways is operating five non-stop return flights a week on Monday, Tuesday, Thursday, Friday and Sunday.

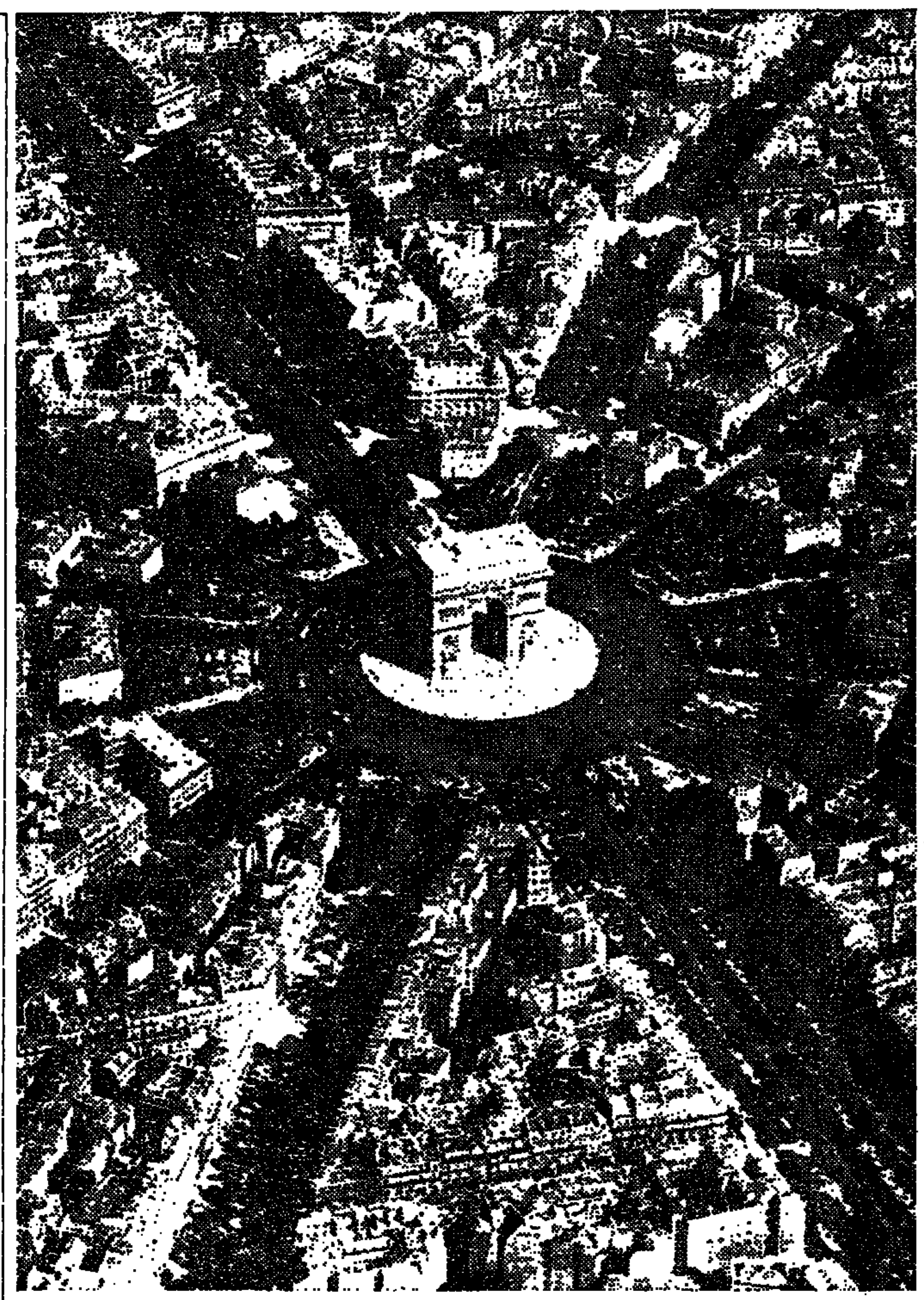
LUXEMBOURG: The all-jet service is to be continued through the winter by British Airways. The six-times-a-week flight leaves Heathrow at 1635 from Monday to Friday and 1550 on Sundays.

VANCOUVER: There are plans to start operating a weekly OAT Advance Booking Charter flight there from London next May.

ISRAEL: Tel Aviv gets another British Airways TriStar. Three of the airline's daily services there are now operated with this wide-bodied jet.

ABERDEEN: Shetland is to get an additional flight each weekday from Aberdeen, making four in all. The direct service from Aberdeen to Manchester will continue to operate this winter.

ATHENS: The daily service at 1220 from London is to be backed up by a second service at 0925 on Tuesdays, Thursdays, Saturdays and Sundays.



FROM THE AIR: Arc de Triomphe in the heart of Paris

BRITISH AIRWAYS has France wrapped up. Frequent flights cover most parts of France, and the airline's specially-designed services cover all travel needs.

The airline's French flights cover five cities in Britain and five cities in France and gives total coverage in four major areas — scheduled services, business travel, holidays and Poundstretcher low fares.

SCHEDULED SERVICES: These link London, Manchester, Birmingham, Cardiff and Bristol with Paris, and London with four cities in provincial France.

The London-Paris service is excellent. There are easy-to-remember flight times from Heathrow to Charles de Gaulle airport on the hour every two hours from 0800 to 1800 daily.

And this service is backed up by flights operated by Air France, which gives a combined total of a flight every hour from 0700 to 1900.

British Airways also flies direct from London to four other key centres — Nice, Lyons, Marseilles and Bordeaux.

Convenient

Manchester and Birmingham have Paris flights daily except Saturday, and Cardiff and Bristol have flights on Monday, Wednesday and Friday. And there is also a flight from Manchester to Nice every Sunday.

Another advantage of British Airways services to France is a convenient and speedy check-in procedure. Economy passengers are allowed a small cabin bag and one medium-sized suitcase, packed into the hold. First-class passengers are allowed an extra suitcase.

BUSINESS TRAVEL: Normal economy fares give maximum flexibility on all scheduled services, the freedom to choose the right flight at the right time and the ability to rearrange business schedules at short notice.

However, for businessmen with time for planning, the airline has just introduced a new range of value-for-money inclusive packages in France and throughout Europe. The packages include return flight and hotel accommodation — just like packaged holidays.

Exporters

Indeed, all the money-saving principles and the convenience of package holidays have been applied to these business tours. For this reason exporters and other businessmen can make every penny of their travel budgets count.

Details of these inclusive arrangements are in a new booklet, *British Airways and the Business Traveller*, which also gives invaluable advice on many other facilities which are available and which can be obtained from British Airways Business Travel (Ref. B.), 18, Crimscott Street, London SE1 5TS.

The inclusive business trips to Paris can include accommodation at three British Airways Associate Hotels — the budget category Penta in the new business centre of La Defense, the central first-class de la Tremoille and the de luxe George V near the Champs Elysees.

ON THE GROUND: A street cafe

Three-night packages cost from £80 for a twin room at the Penta and from £176 for a single at the George V.

Business packages are available to Lyon, Nice, Marseilles and Bordeaux.

Spouse Fares are also available. These give a wife travelling with a full fare-paying husband a 50 per cent reduction. And they can have double rooms for the price of a single at British Airways Associate Hotels. And, of course, a businesswoman can take her *husband in exactly the same* way.

HOLIDAYS: British Airways has a variety of arrangements to match budgets for winter holidays.

Sovereign has three and seven-day holidays to Paris and seven and 14-day arrangements to Nice with departures from both London and Manchester.

The Traveller's Europe programme of *pensions* and *family-run hotels give holidays* which capture the real flavour of France.

Freewheeler, which combines a return flight with the independence of a hire car, offers holidays starting from Bordeaux, Marseilles and Lyon.

Also, British Airways specialist programme French Leave offers a wide range of holidays in all the favourite resorts and in many out-of-the-way places.

POUNDSTRETCHERS: There is a wide range of these money-saving fares available on all the schedule routes to France. For example, a weekend excursion fare to Paris costs from £37.50. Travel must be on Saturdays and Sundays, and the maximum stay is one month.

An Instant Purchase Excursion Fare is also available at this price. Among other conditions, this fare can only be booked after 1400 on the day before travel.

Jumbos boost Barbados route

BOEING 747 services between London, Barbados and Trinidad are being stepped up by British Airways.

The spacious and comfortable Jumbo jets will in future fly the route on Tuesdays. These aircraft already operate on Saturdays.

The jumbos leave London at midday and arrive in Bridgetown at 1620.

They then fly on from Barbados to Port of Spain, landing there at 1805.

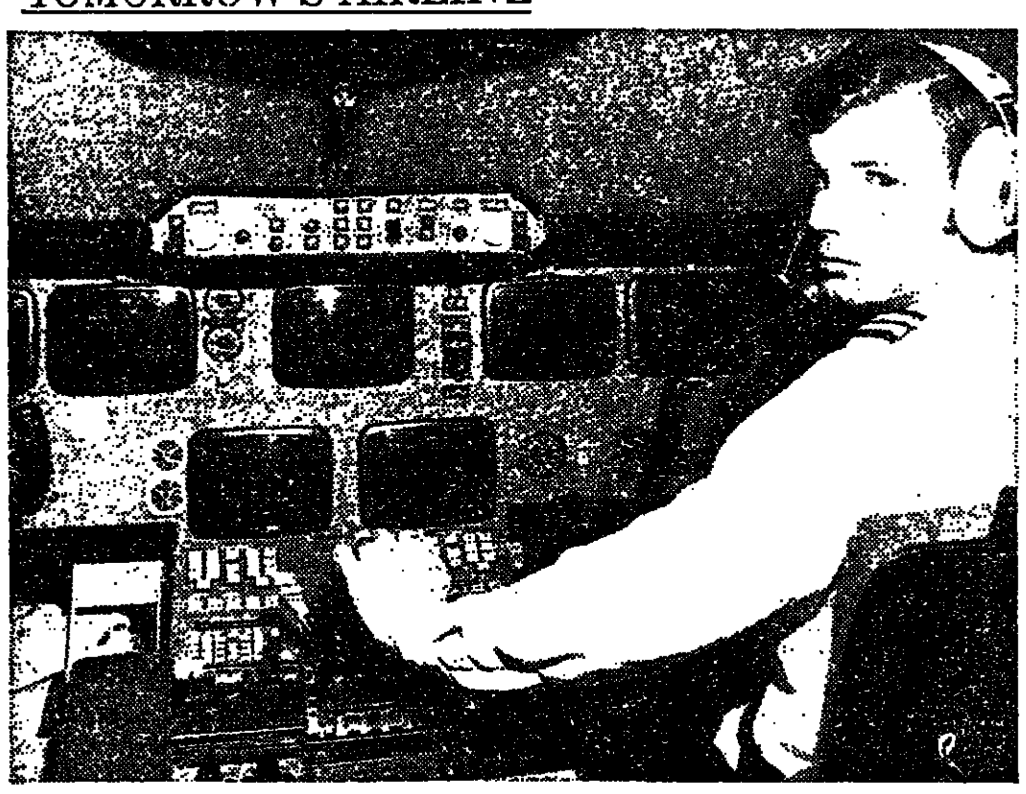
Long-haul

British Airways 707s will continue to fly to Barbados on Wednesday, Thursday and Sunday and to Trinidad on Monday and Wednesday.

The airline's 747s operate most of its routes to North America plus other long-haul destinations.

British Airways other wide-bodied jet aircraft, the TriStar, operates to numerous points in Europe, and has recently started going as far as the Gulf and India.

TOMORROW'S AIRLINE



All the flight facts could soon go on cockpit screens

THIS is how the flights decks of the future could look. Gone are the mass of dials, gauges and meters, and instead there are just seven screens, which will show all the information the pilots require about their aircraft.

The new screen system is still at the experimental stage. But it illustrates the constant striving by British Airways to improve its technology to match all the challenges the future will present.

The "earthbound" Advanced Flight Deck Simulator in the picture above has been jointly developed by the British Aircraft Corporation and Hawker Siddeley. And it is now being intensively "flown" by two British Airways pilots to test the system thoroughly.

Non-stop flights to Cyprus

NON-STOP services to Cyprus will continue this winter.

Jets will fly from Heathrow to Larnaca on Monday, Tuesday, Wednesday and Saturday.

The holiday industry in Cyprus is building up rapidly.

Now Meon Villa Holidays are extending their successful villa programme into Cyprus in 1977 in co-operation with British Airways.

Meon have villas at Coral Bay, near Paphos, and one-bedroom cabanas at the Paphos Bay Hotel.

A fortnight at a Coral Bay villa for a party of four costs from £180 each.

This includes return flight, villa, hired car and maid service.

The Paphos Bay cabanas cost from £239 each.

Six 747s to Miami

A BRITISH AIRWAYS 747 flies six times a week to the American gateway city of Miami.

Passengers can connect with speedy and convenient Link-Up flights to Houston in Texas and Tampa in Florida. They can also connect with other services to southern USA, the Virgin and Cayman Islands and Central and South America.

The super speed of the Shuttle

FROM Marble Arch to a suburban home in Edinburgh in just two hours and three minutes. This was not a carefully-planned, brilliantly executed attempt on a record time for the 362-mile journey. It was just another trip by British Airways Shuttle and two taxis.

At three minutes to three one Sunday afternoon businessman Nigel Souter hailed a cab at Marble Arch.

It took him to Heathrow where he caught the "turn up and take off" Shuttle service. In Edinburgh, he took another taxi and was home on the dot of five. But perhaps the really amazing thing about Nigel's journey is that he found two taxis so easily.

For reservations or further details, see your travel agent or British Airways shop

هكذا من الاصل

Levesque plans big effort to reduce jobless

BY ROBERT GIBBENS MONTREAL, Nov. 17.

PREMIER-ELECT René Lévesque expects to form his Cabinet and complete his takeover of power in Quebec City within two weeks, he said yesterday. He remains committed fully to a referendum on the independence issue, and there will be one such referendum during his mandate.

Mr. Lévesque said his Government will turn first to the economy and he will make a big effort to cut unemployment, now running nearly 10 per cent., and cure Quebec's inability to create sufficient jobs for its still growing workforces. "We'll carefully examine the budgetary position, and then in relation to economic potential, turn to education, health, housing and essential services neglected by the previous Government."

The Government realised the role of the private sector . . . "Quebec is an open economy." It will look again at car insurance and new policies will emerge swiftly in that area. Government waste will be cut, and financing of political parties opened up, with tax deductions for individuals.

The primary-level school language tests under Bill 22, which cost the Liberals many votes, will definitely be scrapped, he said. But new imigrants will be warned their children will be required to underge "immersion" in the French language.

Monday's election saw 69 Parti-Quebecois elected, 11 Union Nationale, 28 Liberals and one each for the Creditistes and Parti National Populaire. The PQ won 40 per cent. of the popular vote, Liberals 34 per cent. and Union Nationale 18 per cent.

Existing English publicly-financed schools would remain for those English-speaking people already in the province, but could only operate "in a manner which protects the rights of the majority of French-speaking people." A new balance will have to be found in the quota system.

Mr. Lévesque said he had been elected with a mandate to protect and promote the rights of the French majority while having a "brotherly respect" for the rights of minorities.

Mr. Jacques Parizeau, the PQ's chief economic spokesman, and probably Quebec's next Finance Minister, said that Tuesday's reaction to the election in the Canadian and New York financial markets was mild and "peanuts compared with the dislocation after the late Premier Daniel Johnson and the Union Nationale upset Premier Jean Lesage and the Liberals in 1966."

Government recovers ground in Brazil poll

RIO DE JANEIRO, Nov. 17.

THE BRAZILIAN Government appears to have recovered in Monday's local government elections some of the terrain it lost in congressional elections two years ago.

Early results show that the Government party, Arena, made several gains against the opposition Brazilian Democratic Movement. Besides holding on as expected to the majority of Brazil's local councils and prefectures. The opposition, however, won imprtant victories in major state capitals—including Rio de Janeiro, Sao Paulo and Porto Alegre.

Leaders of Arena in Brasilia claimed that the party had control of 16 states, with losses in Rio de Janeiro and Sao Paulo and uncertain results in three states.

However, the opposition's performance in the big towns assures it a far larger share of municipalities than it had in the last local elections four years ago, when ARENA took almost 90 per cent.

The results show that President Geisel has had some success in stemming the opposition tide, although the meaning of a victory is greatly reduced by the severe restrictions under which the campaigns were conducted.

Caracas seeks closer links with Britain

by HUGH O'SHAUGHNESSY

TRADE RELATIONS between Britain and Venezuela should be given a useful boost next week. On Sunday Sr. Carlos Andrés Pérez, the President of Venezuela and one of the most influential figures within OPEC, arrives in London for a visit which lasts till Wednesday morning. As befits the Social Democratic ideology of Acción Democrática, the political party which he leads, the visit will be an official rather than a State occasion, the white-tie events being kept to a minimum in favour of strenuous sessions with politicians and businessmen. On the two working days of the visit, President Pérez will have talks with one group of leading industrialists and another of top bankers, the latter likely to be led by Mr. Gordon Richardson, Governor of the Bank of England.

Trade gap

Anglo-Venezuelan trade last year totalled around £250m. and is growing fast. Venezuela sells nearly twice as much to Britain as it buys, principally because of the 1973 oil price rise, but the trend in the past two years has been for British exporters to narrow the gap considerably.

Last year British sales to Venezuela were more than 80 per cent. higher than in 1974 and this year, too, Britain has obtained some promising orders.

As Venezuela gets going on its very ambitious plans to transform itself from solely an oil exporter to a fully industrialised country, there could be a number of opportunities of big new contracts for British exporters. The British Steel Corporation will be competing for a large new steelworks planned for Maracaibo and it seems likely that British companies are maintaining their interest in the Venezuelan rail building scheme, though this may mean the reconstruction of the consortia bidding, and some rethinking of the financial structure of the deal.

As the recently nationalised oil industry starts seeking new oil reserves, there is a chance that British constructors will win orders for offshore rigs while British agricultural engineers hope that they will benefit from Venezuela's campaign to feed itself. British bankers have often been closely involved in the formulation of Venezuela's strategies and there is a growing appreciation in Caracas of the usefulness of London as a financial centre.

From the Venezuelan point of view, Britain is playing a major role in tackling Venezuela's most challenging problem: the training of its own people to manage and control the development of the resources which the country's enormous new riches have put within its reach. About 1,000 Venezuelans are being trained in British colleges under Venezuela's Ayacucho scholarship scheme.

The quantity of resources that Venezuela devotes to its future development may be judged from its 1976-80 plan which calls for expenditures of $24.4bn. or $2,000 per head of the population of 12m. One-third of this money is to come from the public sector, two-thirds from the private sector. Alone in Latin America, Venezuela is free from all worry about its balance of payments and is currently basking in an extremely favourable assessment of its strategy by the World Bank.

But as President Perez prepares for London, several questions must be put. Is enough being done in London to cement the political relationship with Venezuela? Is Britain wasting a store of good will and prejudicing its own commercial chances by appearing to overlook the Venezuelan desire for a closer relationship with Britain and Europe? There is a great regard for Britain in Caracas. Shortly after President Perez took over two and a half years ago one Cabinet Minister said to me. "I looked round the table and saw that there were at least half a dozen of us who had either been to school or university in England or who had served at the embassy in London. There can't be many places in Latin America where the links with Britain are as strong."

President Pérez and Acción Democrática are proud that at a moment when South America is teetering into right-wing extremism and former democracies are being taken over by very repressive governments, there is a parliamentary regime in Caracas, which, if not faultless, has a better record for humane administration than any of its neighbours.

In the past seven and a half years, the Venezuelan parliamentary system has been strong enough to face twice the challenge of transferring power from an incumbent government to an opposition put in by a free popular vote.

Pérez is conscious of the privileged position his Government occupies as the richest and most democratic government in the region, and feels that it is up to him to exercise ome leadership in Latin America America. He has exercised this leadership with a mixture of firmness and financial liberality. He has severed relations with the Méndez regime in Uruguay after Uruguayan police broke into the Venezuelan embassy in Montevideo in an attempt to capture a member of the opposition who was seeking asylum. He has been cool to the Pinochet junta in Santiago.

At the same time. Venezuela has extended payment facilities to the Central American states badly hit by the oil price rise. He has also made loans to the small countries of the Commonwealth Caribbean, taking on something of the tutelary role once exercised by Britain.

At the same time Venezuela has emerged on a larger stage as a principal spokesman for the Third World, a fact which was acknowledged, for instance, by the nomination of Sr. Manuel Pérez Guerrero, the Venezuelan Minister for International Economic Affairs, as a co-chairman of the North-South dialogue. Venezuela's growing diplomatic weight would indicate that closer government-to-government relations between London and Caracas are long overdue;

Reality

It is clear, too, that the British Labour Party could play a big role in making a reality of the desire of Acción Democrática to have closer relations with the Social Democratic parties of Western Europe and in other parts of the world. For years Acción Democrática has had observer status at the Socialist International, the world grouping of Social Democratic parties.

But at a recent gathering of Social Democratic leaders in Caracas the British Labour Party did not send a strong delegation.

It seems that political opportunities are being missed in Britain's relationship with Venezuela and the chance of cementing a close relationship with an increasingly important trading partner is in danger of being wasted.

Argentina may release political prisoners

BY ROBERT LINDLEY BUENOS AIRES, Nov. 17.

'HE ANNOUNCEMENT by the 'inochet regime in Chile that early all the political prisoners is holding under the state of ege laws will be released imme-iately is expected here to be illowed by a mass release of risoners by Argentina's Videla egime

The Argentine President, Lt. en. Jorge Videla. returned on inday from a four-day official sit to Chile, during which he id lengthy talks with the iilean President, Gen. Augusto nochet. It is understood that ey discussed political prisoners, subject that is causing adverse orldwide comment about the hilean and Argentine military egimes.

With few exceptions, the ames of Argentina's political risoners have not been made iown officially, although accord-g to an official source speaking ivately, they number less than 100. More than half of them re arrested before the March coup.

The Secretary-General of the nochet regime, Gen. Hernan jares, has said that only 18 litical prisoners will not be ed immediately, and he indica-l that these 18 will also be eased if countries can be ind to accept them in exile, nce the special danger they istitute for Chilean State urity demands that their release be accompanied by their leaving the national territory."

Moreover, Gen. Bejares said that two of these 18, Chilean Communist Party leader Luis Corvalan and former Communist deputy Jorge Montes, would be released immediately in exchange for the release of dissident intellectual Vladimir Bukovsky by the Soviet Union and of Cuban political prisoner Hubert Matos by the Castro regime.

Two years ago, Gen. Pinochet offered on two occasions to exchange a large number of political prisoners if Cuba would do likewise. These offers were not answered.

There is also speculation here (none of it very probable apparently) that the Chilean regime's imminent release of political prisoners, officially said to total 1,168, as well as the Ecuadorian military Government's initiation yesterday of the registration of voters for general elections next year, is the result of the victory of Mr. Jimmy Carter in the U.S. Presidential elections. Mr. Carter in campaign statements voiced his pre-occupation about human rights under Latin American military regimes.

It is the plan of Ecuador's head of state, Vice-Admiral Alfredo Poveda, to hand over to elected authorities in January, 1978, if they show a capacity to rule and if there is internal peace.

More guerillas killed

BY HUGH O'SHAUGHNESSY

IHTY-NINE guerillas have n killed in Argentina in the fortnight, according to a ort in pro-Government Buenos es daily Clarin. The newser gave no estimate of ernment casualties.

In Tuesday a group of 48 rillas attempted to occupy a ce station in La Plata but e driven off, with nine ckers killed and four police wounded. Three more guerillas were killed in an encounter in another part of the city on the same day.

In an encounter between the army and guerillas at Bahia Blanca two guerillas lost their lives while resisting an operation by the army at their home. According to a statement from the Fifth Army 500 shots were fired in the incident.

J.S. personal incomes rise

BY DAVID BELL WASHINGTON, Nov. 17.

RSONAL incomes increased per cent. in the United States month but much of this inse was due to a pay rise for ral employees. The income actory workers rose much er because of a combination ncreased layoffs and strikes. is latest statistic will not lift much of the anxiety that is surrounding the current of the economy chiefly use it underlines the fact key sectors of the economy still much less buoyant than cted. Total income of manuuring workers rose only n. in October, a quarter of $1.1bn. rise in September.

e Commerce Department that the slowest increases in the metals industries, chiefly steel, and in the electrical machinery manufacturing industry. In these sectors there was a fall in employment and only a very slight rise in average hourly earnings. The only bright spot was that average weekly hours increased slightly in contrast to the previous month.

Overall, personal income increased by $10.2bn. to a seasonally adjusted rate of $1,401.9bn. Private wages and salaries increased by $3.8bn. compared to $5bn. in September, whereas Government wages and salaries climbed by $3bn. compared with $1bn. the previous month. Pay raises for federal civilian and military personnel accounted for $2bn. of the October increase in this sector.

hrysler-UAW eal may fail

DETROIT, Nov. 17.

UNITED AUTO Workers' ils prepared to announce the me of ratification voting on w three-year contract with ler Corporation to-night, were reports that skilled ers at three large Chrysler including two in the it area, had turned down greement.

W Vice-President Douglas r admitted yesterday that as "a little concerned" whether skilled trades rs would accept the pact, was reached on November union has assured skilled rs veto power over the ict. AP-DJ

U.S.-Soviet fish talks

WASHINGTON, Nov. 17.

THE U.S. and the Soviet Union are opening talks on a new fisheries agreement that will take into account the intention of the U.S. to establish a 200-mile fishing limit on March 1. The talks were to start here to-day.

Prof. Thomas Clingan, of the University of Miami, heads the U.S. delegation. His counterpart on the Soviet side is Mr. V. I. Kamentsev, a deputy Minister in the Soviet Fisheries Ministry.

Congress voted earlier this year to extend the U.S. fishing limit from 12 miles to 200 miles, but heeded a Ford Administration request to delay the effective date until March 1.

OVERSEAS NEWS

Government forces kill 33 guerillas in Rhodesia

By Our Own Correspondent

SALISBURY, Nov. 17.

THE RHODESIAN military counter offensive against nationalist guerillas reached an unprecedented level this week with the announcement that a further 33 guerillas have been killed, bringing to 73 the number killed in the past three days, and 173 since November 1. Two white soldiers have also been killed. Nine of the military forces have died this month.

All but two of the guerillas were killed in a 12-hour series of contacts in the Honde Valley, 30 miles north of Umtali on Rhodesia's eastern border. It has long been an infiltration route for Mozambique-based insurgents.

The latest military successes undoubtedly have boosted white morale, but the improved "kill rate" does not give a full picture of the war. Many businesses face a severe manpower shortage as a result of the compulsory call-up.

The war has also been largely responsible for a slump in tourism and is also a major factor in the rate of white emigration, running at over 1,200 a month.

Japan has $100m. deficit on balance of payments

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Nov. 17.

JAPAN had a $100m. balance of payments deficit in October, its first since last January, the Ministry of Finance announced to-day. The deficit was due, however, to a large outflow on long-term capital account, not to any deterioration in the country's trade performance, which remained extremely healthy.

The visible trade surplus for the month was $1,140m., only marginally down from the September surplus of $1.2bn. Exports were 26 per cent. higher than they were a year ago, at exactly $6bn., the second highest figure ever recorded.

Imports, at $4,860m., were also the second highest on record, but only 10 per cent. higher than in October, 1975. On a seasonally adjusted basis the October import bill was actually down from the previous month by 6.6 per cent., while exports showed a somewhat smaller seasonally adjusted decline of 5.8 per cent.

The main conclusions to be drawn from the October figures seem to be that Japan's export boom is gradually losing impetus, thereby fulfilling the predictions of the Ministry of Finance, but that imports are not recovering at anything like the rate earlier anticipated. The failure of imports to pick up is causing increasing embarrassment to the Japanese Government.

Until a month or so ago both the Finance Ministry and the Ministry of International Trade and Industry were saying that Japan's excessively large visible trade surplus would shrink as the year went on because the recovery of the domestic economy would draw in more imports.

It is now apparent that the economy is not recovering nearly as fast as had been expected and that import demand remains very weak. Japanese companies remain heavily stocked with the raw materials which constitute some 70 per cent. of imports and consumer demand is not recovering enough to make much impact on imports of manufactured goods.

The continued strong trade performance would have given Japan another large overall balance of payments surplus in October, had not capital outflow during the month come to the high figure of $570m., reflecting an increase in Japanese overseas lending and heavy direct investment overseas.

Long-term capital inflow for the month, on the other hand, was unusually low at only $90m. Most of this consisted of borrowing (at reduced levels) by Japanese companies on international money markets. The surplus on foreign portfolio investment in Japanese securities was only $20m. This in turn reflects a net inflow of $120m. worth of foreign money into the Tokyo bond market during October and an outflow of $100m. from Japanese equities.

The rise in long-term capital outflow is in line with Japanese Government policy which has been to gradually relax controls in this sector during the past few months. The most recent step of this kind (announced early this week) involved a withdrawal of the two-year-old ban on medium- and long-term overseas lending by Japanese foreign exchange banks.

New ban on black unionists

By Graham Hatton

JOHANNESBURG, Nov. 17.

TWO MORE prominent trade unionists, Mr. Sipho Khubeka and Mr. Gavin Andersson of the (African) Metal and Allied Workers' Union, have been served with banning orders by the South African Government. They may now no longer carry out their union activities or attend social gatherings.

The union has recently been involved in disputes with the South African associates of two well-known international companies, Heinemann of the United States, and British Leyland.

Five-year bannings under the Internal Security Act were served yesterday on Mr. Loet Douwes Dekker, chairman of the Urban Training Project, Mr. Eric Tyacke, its full-time director, and his wife Jean, administrative assistant.

China detonates H-bomb

HONG KONG, Nov. 17.

CHINA TO-DAY detonated a powerful hydrogen bomb in the atmosphere, its fourth nuclear explosion this year and the "largest ever detected" in the country by monitors in the United States. It was China's 21st nuclear blast since testing began in 1964.

The New China News Agency, monitored in Hong Kong, said the explosion was carried out "with complete success," thereby raising the level of our country's nuclear weapons to a new height and . . . strengthening our country's national defence capability."

In Washington, a spokesman for the Energy Research and Development Administration said the blast occurred in western China's Lop Nor nuclear test site.

Radio Peking, which also announced the blast, said in a broadcast monitored in Tokyo that China conducted the test to celebrate the new Chinese leadership of Communist Party Chairman Hua Kuo-feng and last month's purge of the "gang of four"—the late Chairman Mao Tse-tung's widow and three associates accused of trying to take over the country's leadership.

The news agency said this year's four nuclear tests constituted "a heavy blow to the two superpowers, the Soviet Union and the United States, which are pursuing hegemonism and attempting to practice nuclear monopoly and nuclear blackmail."

UPI

ON OTHER PAGES

Sadat calls for dialogue on oil

CAIRO, Nov. 17.

PRESIDENT ANWAR SADAT proposed to-day that the U.S. Congress call for a dialogue between oil producers and consumers to settle their differences over petroleum and commodity prices.

He advanced the idea at a meeting with a visiting six-member delegation from the House of Representatives on a Middle East tour.

The President also called on President-elect Jimmy Carter to give the Arab-Israeli conflict the highest priority and to come forward next spring with a proposal to resolve it because "without the United States a solution is not feasible at all."

He renewed his bid for American arms, saying he wants the U.S. to sell him "defensive" arms, including F5E jetfighter aircraft and Tow anti-tank missles.

UPI

Arafat in Damascus for talks with Assad

BEIRUT, Nov. 17.

PALESTINE Liberation Organisation chairman Yassir Arafat met Syrian President Hafez Assad to-day, Radio Damascus announced.

He had earlier held a session with Syrian Foreign Minister Abdul Halim Khaddam and air force chief Naji Jamil. This meeting was also attended by PLO executive committee spokesman Abdul Mohsen Abu Maizar, and Abu Mazen, the Damascus representative of Mr. Arafat's Fatah organisation.

Considerable importance is attached to those talks in Palestinian and left-wing political circles here, since they come after intensive consultations between Mr. Arafat and the Palestinian and left-wing leaderships.

Mr. Arafat is widely reported to be trying to restore ruptured relations between Damascus and the Lebanese Left, headed by Mr. Kamal Jumblatt.

Outstanding problems in this domain were discussed yesterday in a joint meeting of Palestinian and left-wing leaders in Beirut. Among the obstacles in the way of a Left-Syrian reconciliation are the continued detention by the Syrians of Lebanese left-wing militants captured during the recent confrontations, and the general Syrian anti-Left repression in the eastern areas of Lebanon occupied since early June by Syrian forces.

Informed Palestinian sources also indicated that the situation in south Lebanon is likely to be an important part of the Syrian-Palestinian talks. The recent Riyadh and Cairo Arab summits endorsed the Palestinian Right to occupy bases in the Arkoub region and operate against Israel from there, and recent weeks have seen many Palestinian guerillas returning to the south.

But there is unlikely to be any large-scale resumption of Palestinian operations from Lebanon into Israel, which even before the Lebanese crises began were few and far between. The Syrians are likely to be keen to achieve the fullest understanding with the Palestinians in this delicate area, since they do not want to be dragged into a war for which they are not ready.

Although it is unlikely to find a place in official communiques, another subject which is probably on the agenda in the Damascus talks is the question of political reform in Lebanon and the kind of political system which the Syrians favour for Lebanon.

New pressure on Israel

BY TOM ACKERMAN...IN TEL AVIV

BLESSED BY the vast majority of the participants in last month's Arab summit, the Syrian intervention in Lebanon may pacify the country which has been torn apart by 20 months of civil war. The U.S. presidential election is over and though Mr. Jimmy Carter, the Democratic nominee won it, there is acceptance that a renewed American peace initiative must come sooner or later. Israel's perennial worry about a military flare-up is for the moment subordinate to an intensified preoccupation with the prospect of a co-ordinated Arab drive towards a settlement which—by their criteria—must involve the Palestine Liberation Organisation.

American support last week for an Egyptian-sponsored UN Security Council resolution which criticised Israeli occupation policies is viewed as ominous by Jerusalem officials, who suspect that the President-elect concurred with the Ford administration's stand as a signal to Israel of things to come.

Even granted the extra few months of relief until the top echelon of the State Department is restaffed, the Israel's have no reason to doubt that the transition will be followed by still harder nudging.

Certainly there can be no doubt here that the Arabs are laying the ground for a settlement which would involve withdrawal from all or most of the territory occupied by Israel in 1967. The Israeli leadership is divided as to how to respond to the call last week by President Anwar Sadat of Egypt for a peace agreement based on a total Israeli pullback and the establishment of a Palestinian State on the West Bank and in the Gaza Strip.

As far as the U.S. is concerned, the Israeli Government has been able in the past to point to the stated objective of the Palestinian National Council to dismantle the indpendent political entity of Israel and establish the so-called "democratic State of Palestine."

Now, however, the PLO itself is indicating moderation. The guerillas have returned to "Fatahland" in the south-east of the country, but it has been noted here — with as much concern as relief — that there is no indication that it intends to resume operations. Then on Tuesday in the UN Mr. Farouk Khaddoumi, the PLO's political director and unofficial "foreign minister," expressed support for "the establishment of an independent entity" in the West Bank and Gaza Strip.

The three leading figures in the Government initially dismissed President Sadat's initiative but appear to have had second thoughts. The Left-wing ence grise, Mr. Pinhas Sapir, is and security affairs has urged the matter be put to the test, and Mr. Moshe Dyan, former Defence Minister, said Mr. shrugged off.

More extraordinary, perhaps, ex-General Ariel Sharon, hero of the 1973 war who helped the hard-line, Right-wing Likud opposition bloc, has publicly called for talks with the PLO.

Whatever the leaders of the coalition Government say, some key policy-makers are convinced that Egypt and Syria may manage to recruit a tamed element of the PLO into subscribing to the Geneva peace conference framework. And if that happens, the Americans can expect to be much less bridled in their insistence that Israel be equally forthcoming on the Palestinian issue.

With that sobering scenario ahead, a national consensus is urgently prescribing the girding of loins on the home front—a mellower tone to the fractiousness of domestic politics, greater economic forebearance and tighter social cohesion. Yet it is precisely now, in fact, that Israel is showing some marked deterioration on all these points.

The four-party coalition led by Mr. Yitzhak Rabin, the Premier, is lamely weathering the most unsparing wave of criticism in its 29-month tenure —not so much because of the challenge to its lack of declared policies on issues of peace and war as in deploring its inertia and internal divisiveness. The back-biting dialogues of rival Ministers, obligingly leaked to political correspondents after every session of the Cabinet, have come to rival the gossip columns for a scandalised readership.

Most dismaying are the brittle exchanges between Mr. Rabin and Mr. Shimon Pures, the Defence Minister, who barely lost the Labour Party's nomination two years ago to succeed Mrs Golda Meir. The latter has stoutly refused to concede Mr. Rabin's automatic right to head the list in the general elections scheduled a year from now

Mr. Rabin has not concealed his exasperation with the manner in which Mr. Peres has breathed down his neck. The very idea of a challenger who continues to sit in the Cabinet while openly angling for his job was "a cancer," said the Prime Minister last week. Yet for reasons that are basic to Israel's leadership crisis, Mr. Rabin cannot seriously think of sacking the Defence Minister.

For one thing, Mr. Peres' urbane manner, eloquent tongue and finely tuned public relations sense have, by all available measurement, made him the most popular (a relative concept at best) Israeli Politician still in circulation. Inured in the Israeli system, moreover, is the unwritten law that a Minister can only be removed against his will through the resignation of the Premier—and thus the Government as a whole. Under prevailing circumstances, that is hardly the formula for decisive rule.

The grass-roots machine of Mr. Rabin's Labour Party, bequeathed to him by Mrs. Meir's late eminence grise, Mr. Pinhas Sapir, is now a creaking, debt-ridden hulk. The Premier's running campaign of attrition against Mr. Peres, more a matter of personality than ideology or current factional allegiances, has left the old king-makers confused and dispirited.

What is more, a hint of venality has begun to afflict the Labour establishment of late. Two days before he was due to take office this month as governor of the Central Bank, Mr. Asher Yadlin was arrested in connection with a still-billowing cloud of charges concerning kick-back payments and dubious property deals by the Histradrut's health insurance fund, of which he was chairman.

For the first time since statehood there is sincere talk of Labour's relegation to the role of loyal opposition, a part played doggedly through the years by the Right-wing parties headed by Mr. Menahem Begin.

The National Religious Party and the Independent Liberals, whose 14 Knesset seats give Mr. Rabin his majority, are already manoeuvring for new contingencies by calling for early elections. Mr. Rabin seems unlikely to respond to the call, and not only because his personal stock is at a low point nation-wide.

The Labour Party is pledged to internal elections before the spring convention of its central committee which will choose the Parliamentary list, anyway. But it — more fundamentally — seems united enough to respond to the anticipated resumption of the U.S. peace initiative or a change in Palestinian policy.

Members of the pro-Syrian Saiqa group exchanged rocket and machinegun fire with guerillas of the left-wing anti-Syrian Democratic Front for the Liberation of Palestine, with an unknown number of casualties. The Palestinian leadership quickly contained the incident, and both sides were persuaded to stop shooting.

Arab peace force units, however, began preparations for the third stage of the peace plan, which envisages the entry of the forces into the cities of Sidon in the south and Tripoli in the north of Lebanon.

Meanwhile, Reuter reports that Beirut Airport will reopen to-morrow for the first time since the end of June and Middle East Airlines will immediately resume flights into the capital. MEA spokesman was quoted as saying two aircraft would arrive

هكذا من الأصل

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WORLD TRADE NEWS

ECGD rates may increase next year

BY MARGARET HUGHES

BRITAIN'S EXPORTERS may well have to pay a higher premium for their export credit insurance next year. A strong hint that this is likely was made yesterday in the financial report for 1975-76 published yesterday by the Export Credits Guarantee Department.

Financial results for the year to March 1976 show that ECGD fell short, by rather more than usual, of its financial objective, which is to hold reserves at the equivalent of around 3 per cent. of the total amount which it has at risk. At the end of the year under review this ratio stood at 2.4 per cent.—ECGD had a surplus on trading operations on commercial account of £18.8m. which raised reserves to £170.8m. against the £7.26bn. at risk.

This compares with a ratio of 2.8 per cent. at the end of the previous financial year. This ratio does not necessarily dictate the level of premium charged by ECGD on its insurance business but the department states in its report that the current shortfall "will be taken into account in its annual review of premium rates."

Much will depend on the performance on business undertaken since March—yet to be evaluated. If the ratio of reserves to total at risk shows little prospect of improving on the 2.4 per cent. level then an increase in premiums seems almost certain.

In any event it would be a ministerial decision and as such would presumably take account of the fact that Britain is intent on an export drive to lead it out of the current recession. If implemented, the increases would be introduced at the beginning of the next financial year—April 1, 1977.

ECGD premiums vary according to the business involved, but for short term credits which account for some 77 per cent. of the department's business, the current rate is ¼ per cent. 25p in the pound. This rate, Mr. Kenneth Taylor, secretary of the ECGD, claims, compares very favourably with competing export nations, but a true comparison is difficult since the mix of business handled by ECGD's counterparts differs greatly from country to country, ECGD handling a far higher proportion of short term credits.

The last time ECGD raised its premiums was in April, 1975, which was the first increase in 15 years and as such the department claims that in real terms its premiums are now lower than they have been in the past.

Also scheduled for review in March next year is the much-publicised and equally controversial cost escalation scheme first introduced in February, 1975. So far, despite several improvements to the scheme, only two capital goods contracts worth a total of 162m. have been concluded utilising the scheme. The department, and ultimately the Government, is understood to be under strong pressure from both the U.K. Treasury and the EEC authorities to drop the scheme when it comes up for review.

Given that it has been so little used—industry finds it both expensive and complicated—and that the Government is committed to cutbacks in public expenditure it seems certain that at the most optimistic level, there will be no further improvements to make the scheme more workable (as advocated by some contractors) or, at the worst, may well be abandoned as a good idea which in practice just did not work.

An added factor is that the newly introduced scheme to provide buyer credits in foreign currencies is arousing a good deal of interest. If taken up seriously by exporters this scheme could well eliminate the need for cost escalation cover.

The main items highlighted in ECGD's financial reports are that: The value of exports insured rose 28.4 per cent. to £8.39bn. from £6.54bn. in 1974/75; Premium income was £59.6m. against £52.5m. in 1974/75. Claims paid amounted to £42.1m. (£29.9m.) and recoveries to £17.5m. (£11.9m.).

E. Europe deficit 'will grow larger'

BY DAVID EGLI

GENEVA, Nov. 17.

IN RECENT months oil exporting countries have provided several billion dollars worth of loans to the Soviet Union and other East European Communist countries to help them finance their growing trade deficits with the West.

Faced with growing reluctance this year on the part of Western banks to continue lending to the Eastern bloc on the same massive scale as last year, these countries have been making considerable efforts, and with some marked successes, to diversify the sources of their borrowing.

The newly established direct links with the oil exporters permit them to borrow for the construction of special enterprises at home with credits to be repaid by future products of these enterprises. Another alternative is Eastern bloc participation in investment projects (including deliveries of machinery) in oil producing countries, with cash payments for a part of such investments. These proceeds are then used to finance their deficits with industrial market economies.

Noting this new trend, the United Nations Economic Commission for Europe suggests that Western banks, initially happy to expand their lending to countries with a high credit rating, have grown increasingly reluctant to maintain a heavy flow of funds because of the lack of information needed to assess the continued credit-worthiness of Eastern bloc countries.

Even so, the net lending of the Western banks continued at a high average annual rate ($10.4bn. in the first quarter of this year) capping the $8.7bn. increase in loans in the previous year.

At the end of March the net claims outstanding of Western banks against Eastern Europe and the Soviet Union reached almost $18bn. In 1975 the East European countries, including the Soviet Union, racked up a record deficit of more than $9bn., accounting for some 55 per cent. of $17bn. overall deficit accumulated during the period 1972-1975. And needs for deficit financing are still large despite a small decline in January-May this year (to some $8.5bn. on an annual basis).

Short-term factors, including the recession in industrial market economies and the large import surplus of cereals of East European countries played an important role in this deterioration. On the trade side, deliveries of Western equipment on the basis of so-called compensation agreements (whose repayments are automatically ensured by future exports) were also high—large diameter tubes alone accounting for more than $1bn.

The bulletin of the Economic Commission notes, however, that the margin of manœuvre of East European countries in their trade with the West has narrowed in recent years and that the scope for limiting imports is not very large. The vast programmes undertaken to modernise industry and improve consumer supplies rely heavily both on foreign credits and imports.

The shares in the total deficit picture accounted for by individual countries is important because debt servicing capacity varies a great deal from one country to another. The Soviet Union, which has the strongest potential to raise payments, saw its balance swing from a surplus of nearly $450m. in 1974 to a deficit of $4.2bn. in 1975, accounting for roughly 45 per cent. of the total deficit that year incurred by the CMEA countries in their trade with the west.

Almost half of the rest ($5bn.) was due to Poland which, after the Soviet Union, is the East European country with the strongest export potential. The Commission believes that the recession in the West last year may have accounted for some $800m. in the total deficit picture.

On the Western side, West Germany remained the major surplus country in East-West trade last year, accounting for some 38 per cent. of the total. The share of the U.S. was 23 per cent., with France and Japan accounting for 11 per cent. each. Britain reported a deficit.

The Eastern side of the trade balance has improved somewhat this year with some restraints on imports from the West and a better export picture due to Western economic recovery. The January to May Soviet deficit ($2bn.) accounted for almost 58 per cent. in the total, with the deficits of other countries declining and Romania even showing a small surplus.

This improvement notwithstanding, the Commission has concluded that the debt situation of the East European countries "will remain large and growing." The tapping of new credit links with the oil exporting countries is, thus, important in view of the apparent decline of enthusiasm on the part of Western commercial banks, the falling away of inter-governmental financing agreements and the low level of borrowing by Eastern countries in the international bond market. There remains the sale of Soviet gold, but this amounted to only 150 tons last year, on a level with the previous year and roughly half the amount sold in 1973.

Australian exporters hit by inflation

BY JAMES FORTH

SYDNEY, Nov. 17.

THE NUMBER of Australian manufacturers exporting their products is shrinking dramatically according to the latest annual report of the Government-owned Export Finance and Insurance Corporation.

The report was tabled in Federal Parliament to-day and showed that the number of insurance policies and loan guarantees in the past year fell back to the same level as in 1972.

"Mostly the loss occurred among the smaller firms who would particularly welcome additional export business, but apparently were no longer able to compete against foreign suppliers of their product," the report said.

"There is little doubt that the present levels of interest rates and inflation have had an adverse effect," it added.

EFIC supported exports and overseas investments valued at $A799m. in the year to June 30, compared with $A820m. in 1974-1975. The directors said the decrease was mainly due to a reduction in the value of insured cereal exports as a result of lower world prices.

BHP in Saudi talks

BY OUR OWN CORRESPONDENT

JEDDAH, Nov. 17.

BROKEN HILL Proprietary, Australia's largest company, has had further talks with the Saudi Arabian Ministry of Industry and Electricity on setting up a new steel rolling mill at the Jeddah steel plant.

BHP has completed a feasibility study of the project, which would expand capacity at the Red Sea port plant from 45,000 tons a year to about 250,000 tons, which would be half the plant's potential capacity.

BHP steel development manager, Mr. J. F. Moyle, denied that the Saudi Government might shelve the project because of reported delays in the country's five-year development plan, and added that progress was made during the latest round of talks with officials of the Ministry of Industry and Electricity in Riyadh.

The project will involve only $90-100m. and can be relatively easily accommodated in the five-year plan, he said. The BHP Board has committed itself to the project and if negotiations continue as at present, final contracts may be signed in about nine months.

Austrian deficit up 70 per cent.

BY PAUL LENDVAI

VIENNA, Nov. 17.

AS A RESULT of the renewed economic expansion, Austria's visible trade deficit during January to September jumped by 70 per cent. to Sch.38.1bn. (£1.36bn.) compared to the same period last year, though exports rose by 15.2 per cent., the import bill increased even more steeply by 24.3 per cent.

The surplus on services account however, grew only by Sch.1.3bn. to Sch.22.5bn. Net receipts from tourism were up by 3.3 per cent. to Sch.23.4bn. The seasonally adjusted current account closed with a deficit of Sch.4.5bn.

While long term capital transactions last year yielded a net influx amounting to Sch.14.4bn., there was a net outflow of Sch.1.4bn. this year.

As a result of this major change, the so-called basic balance during the first nine months showed a deficit of Sch.18.3bn. as against a surplus of Sch.13.3bn. last year.

Taking into account errors and omissions the changes in the valuation of the Central Bank foreign exchange holdings, and short term capital transactions, overall gross reserves were down by Sch.9.9bn. in the recorded period as against a rise of Sch.20bn. last year.

Dumping by Britain alleged

By Giles Merritt

DUBLIN, Nov. 17.

BRITAIN'S pottery manufacturers have been accused of dumping and "unfair" trading practices by a group of leading Irish producers.

The complaint was made in Dublin by the Irish Pottery Manufacturers Association, which has now laid a detailed case, chiefly citing the British industry but also singling out companies in Eastern Europe, China and Korea, before Ireland's Dumping Commission.

Members of the Irish association claimed that Ireland's £4m. china and earthenware market was being increasingly dominated by imports from the U.K., and that this penetration resulted substantially from dumping tactics. The association pointed to china and earthenware imports that have jumped from around £900,000 in 1973 to an anticipated 1976 level of £2.9m.

The names of the British tableware companies allegedly dumping in Ireland were not revealed, although the Irish association made it clear that they are listed in their submission to the Dumping Commission and are household names ranging from top-quality manufacturers down to mass-producers.

But the Irish manufacturers' group, which includes the Arklow Pottery concern now managed by Japanese interests, revealed that while it has now formally alleged dumping from the U.K., it has not been in contact with the British Pottery Manufacturers' Association.

The Irish association also claimed that tableware with potentially dangerous levels of lead and cadmium in their decorations have been reaching Ireland, and commented that such goods from Britain have been found to contain enough of these poisons "to cause concern."

BR's Channel freight bid

BY IAN HARGREAVES IN DUNKIRK

BRITISH RAIL has launched a drive to increase its cross-Channel freight business by 50 per cent. before the end of next year, concentrating on a rapid transit system through the ports of Dover and Dunkirk.

Mr. David Williams, British Rail's export freight marketing manager, said yesterday that the initiative was its positive response to improving trans-European freight links following the abandonment of the Channel Tunnel.

Government and British Rail were obviously loth to make an investment for what looked like a limited life in the early 1970s, he said, "but that has changed now."

In fact, the most important investment has come from the French, who have already spent £66m. redeveloping the port of Dunkirk West, to create a lock-free port with faster and more efficient docking facilities. These changes have cut 90 minutes off the journey between the ports.

In turn, British Rail has inaugurated new overnight express freight services between major industrial centres in the U.K. and the ports of Harwich and Dover. The result is a network which is capable of carrying consignments from, for example, Manchester to Basle in 35 hours, to Cologne in 37 hours and to Modena in 53 hours.

British Rail claims that its freight rates and speeds are more than competitive with road haulage and that new business has already been attracted.

Other improvements to the rail freight system include faster Customs documentation and monitoring by British Rail's total operations processing system (TOPS). And a computer system which can provide instant detailed information on the progress of freight wagons in transit.

British Rail, which lost £3.2m. on its international freight operations last year, is basing its optimistic forecasts for the new service on expectations of an oft-predicted export-led boom and in particular on the National Port Council's forecast of a 50 per cent. increase in European trade up to 1985.

In 1977, the rail ferries hope to carry about 800,000 tonnes of freight, out of an expected roll-on, roll-off, cross-Channel load of some 15m. tonnes.

British Rail says it has, in fact, capacity to double freight tonnage without the need for major shipping investment.

Philips contract expected soon

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

PHILIPS is expected to announce a Saudi Arabian telecommunications export deal worth over £500m. in the next few weeks. This is understood to be the contract to which Dr. Jan W. G. Offergelt was referring at a Press conference on Tuesday, when he talked only of "an Arab State."

The deal will be a major coup for the Dutch company, whose entry into the world telecommunications market is extremely recent. Last year, with the help of attractive Belgian - Dutch bank finance, it beat Siemens of West Germany to a lucrative Indonesian order for telephone exchange equipment. It is also making a forceful telecommunications marketing effort in central and South America.

$140m. power contract won by France

Alsthom-Atlantique and its wholly-owned subsidiary Stein Industrie are expected to get a $140m. contract to build a thermal power station in Yugoslavia, diplomatic sources said. Reuter reports from Paris.

The plant is likely to be built at Kosovo, southern Serbia, near a lignite complex, and $33m. will be spent on equipment purchases from Germany.

Sources close to the French group said the project is currently under negotiation, but gave no further details.—Reuter

Cheaper fibres

The Union Carbide Corporation's carbon products division is to introduce a new lower-priced generation of carbon fibres.

The new fibres are priced at $20 a pound compared with $32 a pound for the previous generation of fibres, Carbide said. The new fibres are derived from pitch and may be cost effective in applications in the computer and automotive industries, Union Carbide indicated.

Satellite award

A £30,000 contract to study the satellites needed for exploration of the sun has been awarded to the British Aircraft Corporation by the European Space Agency.

Cargo subsidiary

The Lufthansa executives Board has announced that the airline will establish a subsidiary company to handle air cargo services exclusively, in addition to the airline's established scheduled services.

Pipes for Nigeria

A £500,000 order for asbestos cement pressure pipes has been placed with the Manchester company TAC Construction Materials by the Nigerian Water Corporation, to improve water supply and distribution throughout Nigeria.

صكنا من الاصل

Carreras to end cigarette coupons and gift schemes

BY OUR INDUSTRIAL STAFF

CARRERAS ROTHMANS is to drop coupons and other gift incentive schemes from its cigarette brands next year. This is another indication of the major changes the U.K. industry is going through as it adjusts to the Common Market tax rules which come into operation in 1978.

The group is least involved of the big three U.K. tobacco concerns in gift incentives. The brands affected are Guards and Cambridge. The latter brand carries Green Shield stamps.

Commenting on the move, Mr. John Clinton, deputy chief executive, said: "By this action, we will be able to hold prices—providing there are no further increases in to[...]co taxes."

Carreras Rothmans cut prices of its non-coupon king-size brands three months ago, giving smokers an early benefit from tax changes still to come and putting pressure on smaller, coupon-carrying cigarettes.

Since these moves, Carreras claims that sales have doubled and that the king-size share of the total market has jumped from 8 to 15 per cent.

John Player, the Imperial Group offshoot, recently introduced a choice over coupons with three of its brands—Player's No. 10, Extra Mild and Carlton. These are now on offer with or without coupons for 2p less for a packet of 20.

Carreras pointed out last night that the new tax system will effectively put a ax on coupons. It is convinced that the new legislation will see the end of the coupon brands.

It is only in the U.K. that coupons are used as part of the marketing strategy.

London may soon raise parking fee

By Donald Maclean

GREATER LONDON Council plans to control fees at 85 selected car parks in central London could be implemented in January, following recent advertising of the scheme.

The car parks are in Westminster, Camden and Hammersmith, and as projected under plans agreed by the GLC in the early summer would mean a charge of £3.42 at some Westminster car parks for a nine-hour stay.

At the lower end of the range, there would be a £1.35 charge for nine hours in Hammersmith.

The scheme—aimed at discouraging long-stay parking, to allow more scope for short-stay—includes a 25p an hour charge in Westminster for stays up to five hours and one of 33p an hour for longer periods.

Built into the scheme, however, is an allowance for inflation, which means that in the event of the price-index (which in mid-October was 163.5, against 100 in January, 1974) reaching 200, the short-term hourly fee in Westminster will rise by 7p and the longer-term by 10p, with charges elsewhere moving up broadly in proportion.

The GLC's plans were described by the Royal Automobile Club yesterday as "objectionable." The move, it said, would lead to a rapid deterioration of the city centre, and would cause businesses and residents to move out.

Tartan look for guides

Ashley Ashwood

The Stock Exchange guides are to have a Scots look this winter, and each of the guides will wear her own tartan. Showing the new uniforms yesterday were (from left) Elizabeth Poole, Anna Reekie, Patricia Gordon and Thalia Booth-Jones.

British Airways in talks on Concorde service to Texas

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS has confirmed that it is now discussing with Braniff International, the U.S. airline, the possibility of extending present Concorde flights between London and Washington to Dallas—Fort Worth in Texas.

The plan would be for Braniff to fly the aircraft subsonically (supersonic flights not being permitted over U.S. territory) between Dallas—Fort Worth and Washington, where British Airways crews would take over and fly the aircraft supersonically to and from London.

In this way, a Concorde through-service between London and Dallas would be possible, improving the convenience and cutting the time now taken by passengers making connections at Washington with other airlines.

Tempair faces liquidation

TEMPAIR, the U.K. organisation specialising in leasing aircraft and crews to foreign airlines, may be obliged to announce a voluntary liquidation at a creditors' meeting to be called for November 29, unless new financing arrangements can be agreed in the meantime.

The company, which was formed in 1970, has experienced financial problems with one of its overseas leasing arrangements involving a Boeing 707-320C aircraft.

Tempair is able to honour its existing contracts, but cannot take on new business. The company's managing director, Mr. Tony Griffin, says that he is hoping to find new finance in the period before the creditors' meeting.

Among Tempair's existing clients, Air Niugini has taken over the operation being conducted for it by Tempair, and is guaranteeing employment to the crews involved, while Bangladesh Biman has asked to continue the wet-lease (that is, including aircraft and crews) of a Boeing 707.

If the new financing cannot be found, however, it seems likely that about 200 staff, including 19 flight crews and 40 cabin staff, will lose their jobs.

The company's business was founded on the highly-specialised wet-lease idea, whereby foreign airlines could lease aircraft and crews and thereby establish instant airlines.

Inflation 'will rise for 10 years'

A CONTINUED high rate of inflation and unemployment faces the U.K. for the next ten years, according to a long-term economic forecast produced by Chase Econometrics, the subsidiary of Chase Manhattan Bank of New York.

The average annual inflation rate of the U.K. is forecast at 13 per cent. over the next decade, nearly double the average 7 per cent. in the past 10 years.

One of the results of this will be an unemployment rate averaging 4½ per cent. during the period, compared with only 2½ per cent. over the past decade.

The forecasts for the U.K. are part of a ten-year international forecast prepared by Dr. John Norris at the Chase Manhattan forecasting group in Pennsylvania.

"Our predictions about the inflation and unemployment rates assume that North Sea oil will make Great Britain energy-independent by 1980," Dr. Norris said. "Nevertheless, a steady depreciation of the pound throughout the next decade will mean a much higher rate of increase in import prices for the British consumer."

He pointed out that for every 1 per cent. fall in the pound, retail prices rise by around 0.2 per cent. "That means that the 20 per cent. devaluation of the pound against the dollar in the last 10 months will cause retail prices in England to rise by 4 per cent."

There would have been no increase, he argued, apart from the effect of the fall in sterling.

He foresaw that unemployment would decline from its current level in the next two years. But it would then rise again as the world economy turned down in 1979.

"Increased inflation and a negative trade balance will combine to keep real economic growth to a measly 2 per cent. over the next decade, which means that there will be very little increase in private sector employment."

"But the basic problem with the U.K. is the structural weakness of its economy," Dr. Norris said. "If I had to sum it up, I would point to low productivity gains, insufficient incentives for investment and overall poor management of the economy in both private and public sectors."

Toolmaker's work 'did not qualify for aid'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

UGGESTIONS that the machine ool industry had failed to take ull advantage of the Governent's £20m. aid scheme were efuted last night by Mr. George rowbridge, president of the lachine Tool Trades Association.

There has been criticism about he lack of apparent interest the achine tool makers have shown the scheme and the fact that he projects put up for consideraon have lacked imagination.

Mr. Trowbridge pointed out esterday that 40 manufacturers xhibited new machine tool esigns at the MACH '76 at irmingham in September. These epresented about £11m. of deign and development costs.

"In the main these costs did ot qualify under the machine ool aid scheme because work as already in hand when that cheme was launched. This exlains why our industry was eemingly slow in taking up the id—we were already deeply ommitted," he said.

He suggested that the scheme should be extended.

Earlier, Mr. Trowbridge had condemned the policies of successive governments which had resulted in the manufacturer of labour-intensive capital goods being paid less in world terms for his labour and having to pay more for imported materials.

Lord Robens, chairman of the Engineering Industries Council and chairman of Vickers, said that the trade union movement must turn its attention to the problem of members who break agreements reached between industry and unions.

"Unless the trade union movement itself is prepared to discipline those of its members who deliberately flout and break grievance procedures, and as a consequence walk out on the job and cause vast numbers to be laid off, then there is no hope whatsoever for this country," he declared.

$300m. damages claimed

BY OUR SHIPPING CORRESPONDENT

ARTIME FRUIT Carriers has ed claims in the New York ate supreme court for $300m. mages against Sweden's Salen ipping group and against Bans Trust and its British subliary.

Other parties are named in e suits which allege that "indiually and in concert" the fendants acted to the detrient of MFC and that "such tions were in violation of both e rights of MFC and the obligations of the defendants towards MFC."

The action seeks $200m. compensatory damages and $100m. punitive damages.

Salen, Bankers Trust, and Bankers Trust International of London, have been closely involved in the Maritime saga this year which has featured arrests and sales of more than 25 of the Israeli-American company's refrigerated cargo ships. Bankers Trust was involved in several of these arrests.

Decisive rejection of plan to nationalise banks

BY MICHAEL BLANDEN

AN OVERWHELMING *rejection of the plan for nationalising the top banks and insurance companies has been produced by the latest survey of public attitudes to the issue following its adoption as Labour Party policy.*

The survey also shows that a decisive majority of the electorate rejects the main argument for nationalisation given by its proponents, that the State would do a better job than the banks and insurance companies are doing in channelling investment funds to industry.

The survey has been carried out by Opinion Research Centre. The firm concludes: "If a Labour Government were to go ahead with implementing this proposal put forward by the Left-dominated National Executive Committee, and endorsed by the Party conference, there is no doubt that it would be entirely contrary to the wishes of the majority view in Britain."

The overall results, the firm comments, "represent perhaps *the most decisive rejection of a* major policy by voters in Opinion Research Centre's experience of political polling."

The survey, carried out on behalf of a group of leading insurance companies (though not the same seven as were included in the list for nationalisation), strongly supports the findings of similar surveys.

It follows the endorsement at the Labour Party conference of the proposals produced by the NEC for nationalising the big four clearing banks and the top seven insurance companies. This has been rejected by the present Labour Government and vigorously opposed both by the City and by bank staffs.

Opinion Research Centre, which earlier did a survey among businessmen on the subject on behalf of the clearing banks, has this time worked on a representative nationwide sample, which shows "a very high level of approval for the job being done by banks and insurance companies for their employees, *for their customers, and for the* country as a whole."

The results of the survey show that 82 per cent. of the respondents thought that insurance companies were doing a good job for the country, with an even higher proportion, 84 per cent., taking the same view of the banks.

Even more significantly, the survey shows that this view was entirely shared by Labour Party supporters and by trades union members. Among Labour supporters, 78 per cent. thought the insurance companies were doing a good job for the country, and 79 per cent. felt the same about the banks.

The voters also felt strongly that both the insurance companies and the banks would do a worse job for the country, their workers, and their customers if they were nationalised. The surveyors report that if anything this view has become even more pronounced since an earlier survey carried out in August, 1974.

Accord near on State oil stake

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL and Esso are close to conceding State participation in their offshore oil reserves.

A meeting yesterday helped to clarify some issues, in particular how oil supplies from the North Sea can be safeguarded.

It is significant that, in a joint statement, the Government and the companies agreed that considerable progress had been made. A further meeting is to be held shortly indicating that all sides are anxious to sign at least the general heads of agreement within the next few weeks.

Yesterday's meeting was attended by Mr. Anthony Wedgwood Benn, Energy Secretary, Dr. Dickson Mabon, Minister of State for Energy, and Mr. Joel Barnett, Chief Secretary to the Treasury.

Lord Kearton, chairman of the British National Oil Corporation, represented the State undertaking which is seeking a 51 per cent. stake in Shell and Esso's joint operations. These include the Brent, Auk, Cormorant and Dunlin fields.

Mr. Clifton Garvin, chairman of Exxon Corporation—Esso's parent—flew to London to lead the U.S. company's delegation. He was supported by Mr. James Dean, president of Esso Europe, Mr. R. G. Reid, executive vice-president of Esso Europe, and Dr. Austin Pearce, chairman of Esso Petroleum.

The Shell delegation was: Mr. Mike Pocock, chairman of Shell Transport and Trading; Mr. Peter Baxendell, chairman of Shell (U.K.); and Mr. John Greenborough, managing director and deputy chairman of Shell (U.K.).

Shell and Esso stressed that they want a negotiated arrangement whereby they can use most, if not all, the oil produced from their fields. Main stumbling block to an agreement has been the prospect of the oil corporations gaining an option to buy up to 51 per cent. of the oil.

A sense of urgency has been injected into negotiations by the fifth round of exploration licences which will be awarded within the next month or so.

Mr. Benn has told the companies that they must agree to outline terms of participation if they want to be considered for new licences. An agreement with the two companies is regarded as a cornerstone of the Government's participation plans.

Public spending cuts 'should help jobless'

BY MAX WILKINSON, INDUSTRIAL STAFF

PUBLIC EXPENDITURE cuts should help to reduce unemployment rather than increase it, Sir Federick Catherwood, former president of the British Institute of Management, said yesterday.

This could happen only if the Government took steps to stimulate industrial investment at the same time and so transfer resources from the public to the industrial sector.

Sir Frederick told a conference of young managers in Brighton that while the effective cost of borrowing was 17 per cent., no industrialist would invest and at the present exchange rate of $1.65, inflation would continue at 15 per cent. This would destroy the present hard-earned wage stability and risk the competitiveness of exports.

"So on current policies, we are headed straight for higher unemployment. The Government cannot offset this by higher domestic expansion."

He added: "The Government is committed to the expansion of industrial investment as the way out of our dilemma and it is absolutely right.

"We have the markets, we have the skills, we have lower wage rates than any other industrial country—but we do not have the up-to-date equipment to produce the competitive products for the advanced industrial countries to which 70 per cent. of our exports go. These countries have been investing at twice our rate.

"Where are we to find money to make the investment? At 17 per cent. interest, the companies cannot make the investment. At $1.65 exchange rate the working man is going to suffer a major drop in living standards; it is almost impossible to tighten belts any more, so private consumption is hard to cut.

"Public consumption has risen sharply through the 1973 to 1976 crisis and cutting back three years' growth to make room for investment is not only a sensible policy, it is the only way to provide the investment needed.

"And the investment is the only way to provide the jobs, the hard currency income and the expansion of living standards, including the sound expansion of public expenditure.

Tanker surplus 'could set back recovery'

A SURPLUS in 1980 of up to 20 per cent. in the supply of oil tankers between 70,000 and 170,000 deadweight tons is forecast in a report published this month.

Last year the tanker surplus in this medium-sized range was 30 per cent., and the prediction by H. P. Drewry (Shipping Consultants) of an oversupply of between 10 and 20 per cent. will disappoint many tanker owners. A recovery in the market for this range of vessels was expected before the crisis affecting Very Large Crude Carriers started to ease.

After estimating port and refinery capacities, the study predicts that demand for medium-sized tankers in 1980 will be between 84m. and 94m. dwt, while supply will range from 83m. to 96m. dwt depending on new deliveries, different rates of scrapping, and allowing for only 25 per cent. of combined carrier tonnage trading in oil.

The Market for Medium-Sized Tankers (70-175,000 dwt). No. 47 in a series of reports prepared by Research Division of H. P. Drewry (Shipping Consultants), 1-4, Argyll Street, London W1V 1AD. Single copy price $75 or £30 (U.K. only).

U.K. wins over 50% of N. Sea orders

By Ray Dafter, Energy Correspondent

BRITISH INDUSTRY is winning well over half the £1bn.-a-year orders arising from the North Sea oil and gas programme, according to the British Overseas Trade Board.

It is hoped in government that British companies will raise their share to over 60 per cent. within a few years. The offshore oil industry has already agreed to give British industry a "full and fair" opportunity to compete for orders.

Technology

Mr. Jim Wilks, the board's chief executive, said at the Offshore Oil Conference in London yesterday that the U.K. had acquired a considerable knowledge of technology of offshore oil and gas exploration and exploitation.

The supplying industries were now well equipped to sell overseas; annual offshore expenditure was expected to rise from £4bn. to £6bn. worldwide over the next decade.

With this in mind, the industry and Government agencies are to undertake a trade mission to Brazil in the next week.

Permission

The country is aiming to produce 45m.-50m. tons of oil annually by 1980-81, according to the Department of Energy's Offshore Supplies Office.

British Petroleum has already been given permission to explore for oil off Brazil's shores. There is a strong possibility that Petrobras, the Brazilian State oil group, will order a production platform from the U.K.

Lord Kearton, chairman of the British National Oil Corporation, and Dr. Jack Birks, technical director of BP Trading, will be two of the speakers at a conference and exhibition to be held in Rio de Janeiro next week.

Post Office may be given new financial targets

BY KEVIN DONE, INDUSTRIAL STAFF

NEW financial targets are likely to be imposed soon on the Post Office after discussions between the corporation and the Government, which are at an advanced stage.

The Department of Industry considers that the climate is favourable for an early return to a system of financial objectives which was abandoned in the early 1970s.

The Post Office has had no such targets since 1972-73 when it began to have big deficits after the introduction of enforced price restraint by the then Conservative government as part of its anti-inflation policy.

It appears that the question of financial targets no longer is an issue between the two sides, but discussions have run into difficulties over how such targets should be structured.

Choices under consideration include the last system established for the five years from April 1968 in which the telecommunications target was set as a net return on average net assets and the posts target was set as a return on total revenue expenditure.

The telecommunications target began at 8.5 per cent. and rose to 10 per cent. The post target stayed steady at 2 per cent.

In the event, the telecommunications sector was achieving a 6.9 per cent. return in 1972-73, whereas posts was making a loss of 7 per cent.

£3.2bn. income

The department is in favour of targets particularly for the capital-hungry telecommunications sector, which is engaged in an investment programme of more than £900m. this year.

It is felt that such targets would go some way towards justifying the current level of profits being earned by the Post Office which have been brought about by big price increases in 1975.

After producing an overall profit last year of £148m. — after several years of deficit — the Post Office is expected to increase telecommunications profits by about 115 per cent. this year to about £370m., while the postal side is expected at least to break even.

With a total income of £3.2bn. last year and net assets of about £5.4bn., such profits are not considered excessive either by the department or the Post Office. The corporation is trying to achieve a self-financing ratio of its investment programme of 75 per cent.

Difficulties

The Industry Department is not underestimating the difficulties of devising a system of targets and acknowledges that whatever system is settled on it will have to take account of developments towards inflation accounting and moves arising from the Sandilands Report.

A draft standard is to be published by the inflation accounting steering group at the end of the month but it is not likely that Post Office accounts would be adapted to the new system before 1979-80 at the earliest.

● The Post Office now expects the redistribution of telephone traffic from morning to afternoon to be "semi-permanent," it was learned yesterday. It had previously expected the shift to reverse, as susbcribers recovered from last year's drastic price increases.

The shift played a small part in producing the new Post Office calculations of switching equipment requirements, which show a drop of £220m.—about a third—over the next three years.

The shift has cut usage of exchange capacity in the morning, increasing it in the afternoon. The result has been a more even usage of Post Office equipment, but an exacerbation of the switching over-capacity which lies behind the new cuts.

Court stays out of fight for jobs

THREE APPEAL Court judges yesterday refused to take sides in a battle for jobs in the North-East.

Workers at Hawthorn Leslie (Engineers), of Newcastle, are refusing to allow 750 tons of steel to leave the company's works because it would lead to redundancies.

The steel belongs to Cleveland Bridge and Engineering, of Darlington, who sent it to Hawthorn Leslie to be fabricated for use on the new Tyne and Wear Metro bridge.

But the two companies could not agree terms and now Cleveland want the steel back to do the work themselves.

At a private hearing in London on Tuseday, a High Court judge refused to grant Cleveland an order requiring Hawthorn Leslie to deliver up the steel—worth more than £20,000. Yesterday, the Appeal judges dismissed Cleveland's appeal against the decision.

Mr. Keith Goodfellow, QC, for Cleveland, said that, if the court did not act, work on the bridge would be delayed and Cleveland would face substantial damages claims.

Lord Denning, Master of the Rolls, commented: "You should not have provided hostages to fortune by putting the steel on their premises in the first place."

The dispute ought to be worked out by the boilermakers' union, he added.

Earlier, Lord Justice Lawton had commented that all the Hawthorn Leslie workforce could legally do was withdraw their labour, and picket to try to persuade the Darlington men not to take the steel.

Stage two pay deal accepted by 2.5m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A TOTAL of 2.5m. workers have settled within the limits of the second stage of pay policy in the three months since it came into force.

This was disclosed yesterday by the Department of Employment as it announced a further fall in the year-on-year rate of increase in wages.

The settlements so far agreed are equivalent to about a sixth of the total notified to the department in the course of a full year's wage round and cover local authority manual workers, seamen, motor vehicle repair workers, local authority building operatives and electricians, and electrical contractors.

The department says there have been no breaches of the 4½ per cent. pay policy in these settlements, although fringe benefits granted as part of the seamen's settlement were seen by many as breaching the spirit of the pay policy.

Only wages figures are available this month and not the index of average earnings which is generally regarded as a better guide since it has a much wider coverage and takes account of overtime and not only basic wage rates.

The earnings index has not appeared because of industrial action by some employees of the Department of Employment. This may also affect publication of unemployment figures, due on Tuesday.

The year-on-year rate of increase in basic hourly wage rates for manual workers continued to decline during October.

This is the same figure for the index as in the previous month and is only 0.2 higher than at the end of July, when stage two came into force. This is because almost no major settlements for manual workers come into effect at this time of year—most come between now and April—and even those which have been agreed recently come into operation later.

New drug for peptic ulcers

BY DR. DAVID CARRICK

A MAJOR advance in the treatment of peptic ulcers (stomach and duodenal) is claimed for a new drug, Tagamet (cimetidine), produced by Smith, Kline and French Laboratories of Welwyn Garden City.

The culmination of 12 years of research at the SKF laboratories, Tagamet is said to reduce stomach-acid secretion without significant side-effects. This acid-inhibiting property provides relief from pain and also promotes healing of peptic ulcers to a degree never before achieved except by surgery.

Well-conducted trials have been carried out in major medical centres in 26 countries involving 1,200 patients with results that are said to amply justify the efforts made by the research team. The drug, which also is of value in such conditions as reflux oesophagitis and duodenitis, having been given approval by the Committee on Safety of Medicines, is to be marketed in oral and injectable forms immediately.

NCB likely to decide soon on untapped coal deposits

BY ROY HODSON

EARLY DECISIONS are likely to be taken by the National Coal Board whether to seek permission to develop untapped coal deposits totalling at least 600m. tons in Staffordshire and the Vale of Belvoir, East Midlands.

The board would decide about both the newly-discovered coalfields within the next few months, Sir Derek Ezra, chairman of the board, said in London last night, during a lecture on the prospects for expansion in coal.

While the new Selby coalfield with up to 400m. tons of reserves has been the talking-point in NCB development this year, Sir Derek said it would be wrong to think the story ended there.

Exploration at Park in Staffordshire had now proved the existence of 130m. tons of reserves capable of supporting an annual output of at least 2m tons a year.

In the Vale of Belvoir, a programme of some 50 boreholes had proved the existence of four thick coal seams at a workable depth, offering some 450m. tons of reserves.

It was thus clear that a further store of energy wealth had been found.

Development of new coalfields at Belvoir and Park would be in addition to the 11m. tons of new coal-mine capacity already under construction or in operation. The Board's Plan for Coal for the 10 years 1975-85 is based on some 20m. tons of new coal capacity.

It now looks as if a substantial portion of the coal needed to complete that programme may come from the Staffordshire and Belvoir coal deposits rather than the older British coalfields.

Sir Derek said last night that the development of new capacity at existing coal mines was also an important factor in the Plan for Coal.

Work had started on 15m. tons of the 22m. tons new capacity needed from existing mines as part of the plan. The Board had given approval to 80 major projects at existing collieries, costing more than £200m.

In the current financial year, the NCB has so far approved 15 major coal mine projects costing nearly £100m., and expects to spend nearly £300m. during the full year.

Opencast coal production is also expanding and is on target, according to Sir Derek, with an estimated 11.5m. tons being produced this year. The board expects opencast production to reach 15m. tons by 1980-81.

Looking at Britain's prospects for coal to the end of the century, Sir Derek said: "We have now formulated a plan to the year 2,000 which in our opinion is not only capable of achievement but will provide efficiently-mined coal in additional quantities at the time when other fossil fuel resources may have passed their peak."

The Board is still awaiting Government approval for its strategy to 2,000 and is anxious to be given the go-ahead to explore more sites for fresh coal deposits.

Exploration should start within the next year or so, to allow time for detailed planning if the hoped-for mining expansion is to be achieved.

● An NCB company, Thomas Ness, which makes construction and chemical products, has formed a joint company with Texsa International. In a £1.5m. venture, the new company will make sheet roofing material under the trade name Multi-Plas at Caerphilly, South Wales.

HOME NEWS

● NEWS ANALYSIS—THE PRICE OF BREAD

Too little dough for the loaf

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MRS. SHIRLEY WILLIAMS would be only human if she permitted herself a wry smile when watching the efforts of her successor as Secretary for Prices to do something about the price of bread.

Mrs. Williams, now out of the prices battle and ensconced at the Department of Education, was virtually forced into subsidising bread in the face of rising wheat prices in 1974 by the Labour Party's election campaign. And, having introduced the subsidy, she found herself having to act as referee in the bakers' price war in an attempt to ensure that Government money was passed on to the consumer and did not go into the pockets of the retailer.

As a result, she put a maximum price limit on bread and then a maximum level on the size of discount which the bakers could give their customers.

She then found herself accused by some retailers of preventing them selling bread at the lowest possible price by curtailing their bargaining powers with the bakers.

Muscle

Bread manufacturers, for their part, tended to keep quiet about the discount limitations as most were—unofficially, at least—only too glad to have Mrs. Williams in the ring as referee.

Now, three months after taking over as Secretary of Prices, Mr. Roy Hattersley has isolated bread as the first area in which to show his muscle. Acting on the long-held premise in politics (remember it was the Labour Party which said a Tory Government would bring a three shilling loaf) that bread is of particular importance in the general battle against inflation because of the part it plays in the diet of the less well-off, he called the major baking groups in to see him as soon as he heard they had applied for a price increase of ½p a loaf to come into effect on November 29.

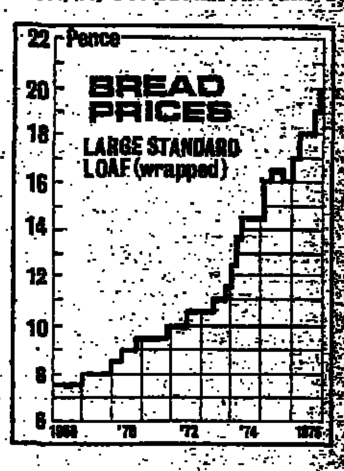
The only problem was the bakers appeared to fit into just that category he had described to the TUC a few days before as an "area of maximum dilemma." The industry, though in a healthier state than when Mrs. Williams first looked at it, has for years laboured under the cloud of over-capacity, too much old machinery and, at best, static demand, as well as the problem created by bread having been a political football since the war.

Fundamentally, the bakers are all fighting to sell what is essentially the same product to retailers who tend to call the terms. As a result of all these factors, profits are low. On average, the industry makes ½p for every loaf it sells.

But to make matters more difficult, the profits are unevenly distributed. Of the three big bakers—Spillers-French, RHM and Associated British Foods—Spillers has historically been the least profitable and ABF the strongest.

This has meant that prices in industry have tended to be held down by ABF, either because it did not need such a large increase as its competitors or because the Price Commission would not allow it one. Meanwhile, any Government initiative to hold down prices has been limited by what Spillers, and some of the smaller bakers, could stand.

Mr. Hattersley apparently recognised the fact that the bakers were not making excessive profits but objected to the way that prices were being determined. His basic idea seems to have been to try and harness the big buying power of the large supermarket groups for his own ends. This means that the bakers have lost their referee and the price war can begin again.




Mr. Roy Hattersley

In the short term, he has accepted that the industry cannot afford to absorb both a ½p price increase and ½p cut in subsidy so he has postponed the subsidy cut until early next year.

Instead, he is refusing to raise the existing statutory maximum price of 20p.

This means that the bakers have the theoretical freedom to charge their customers an extra ½p a loaf next month. But, in such a highly competitive market, it is very unlikely that any one of them will risk losing sales by stepping out of line and raising prices. Therefore, in the short-term, the bakers have ended up paying the bill for price restraint.

Mr. Hattersley may not, however, have achieved what seemed to be his objective of preventing a bread price increase next month. About a third of bread is sold through supermarkets and many are now selling at well under the maximum price. This means if competition allows, most of the big supermarkets could put up their prices.

Any such price rise might, however, be short-lived. In the longer term—probably coming into effect in January—Mr. Hattersley is going to let discounts rip.

But, at the same time, he is drawing up a scheme which will effectively limit gross margins on bread and mean that supermarkets have to pass on in full any discounts they get from their suppliers. A list, giving a range of maximum prices, is being drawn up.

On the face of it, this may seem draconian, mentioning as it appears to do price cuts of up to 9p on a loaf, although nobody outside the Department of Prices quite understands how it would work and all stress it is purely a discussion document.

The list specified price cuts the bakers would have to make next year and apparently relate to the present price of 20p a loaf.

In some ways the proposed maximum prices would seem to do little but cement the pricing structure already used in many supermarkets, and would indeed, appear to offer them a disincentive to ask for big discounts by allowing them to make only a tiny margin on bread when getting discounts of over 30 per cent.

A retailer buying bread at the lowest discount of 12½ per cent. would be permitted to continue selling at 20p while a supermarket getting a discount of 22½ per cent. would appear to be allowed to make a margin of around 9 per cent. and sell at 17p—both fairly typical figures for supermarkets selling bread at the moment.

If they bought at a discount of 50 per cent., however, they would be prevented from making almost any profit and the only incentive to buy on these terms would be the customers they could draw into their stores by selling bread at around 10p a loaf.

Whatever happens, life looks like being tougher for the bakers next year, although as Mr. Hattersley pointed out they may be in a stronger position now than they have been for some time. Spillers, for example, is beginning to reap the benefits of past investment.

The real losers look like being the small retailers and the master bakers who are presently buying bread at the lowest discount of 12½ per cent. In the short term, they are going to be hit first by Mr. Hattersley's decision not to raise the maximum price next month as many are already charging 20p a loaf.

In the longer term, they are also likely to come out worst in a price war, particularly if the Government plays its part in publicising the cheaper prices available in supermarkets.

However, Mr Hattersley, has, as his predecessor did, put a small sweetener into the bakers' package. At present eight categories of loaves are subject to maximum prices orders. Next year half the categories will escape the net, although the big selling loaves will all be controlled.

Metropolitan councils oppose hypermarkets

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

OUT-OF-TOWN shopping developments were condemned yesterday by an association representing the metropolitan councils in England. The attack comes at a time when the attitude of central government towards such developments appears to be relaxing.

The Association of Metropolitan Authorities said it believed that hypermarkets did pose a threat to existing shopping centres and that national policies should avoid "stripping comparison shopping from shopping centres."

The association's views are of considerable importance as, even if the Government's proposed new advice to local authorities on out-of-town shopping developments becomes formal policy, individual local authorities will retain significant powers over separate developments.

In the past, it has tended to be the local authorities which have objected to retailers building large stores outside established shopping centres on the grounds that they kill local trade. Some recent research, however, has indicated that fears about the impact of hypermarkets on town centres may be misplaced.

In a policy statement yesterday, the association said it was essential that all shopping areas should be accessible by public transport as well as private car. Public transport facilities were more likely to be available in city, town and district centres than at out-of-town sites.

The association repeated its commitment to the pattern of shopping which had developed over the years to meet the needs of communities of different sizes. The shopping needs of a community, it said, could best be met by the provision within the context of existing centres, of new developments "forming part of a planned hierarchy."

Shopping facilities should be provided alongside other community and social facilities. The association supported the district centre approach, where new shopping facilities were provided near existing shops, but opposed out-of-town developments.

Cost of money hinders hotel investment

By Arthur Sandles

THE COST of money in Britain may be contributing to a position where the U.K. will be acutely short of medium-priced hotel beds over the next decade. "When we do the figures," one hotelier said yesterday, "we find that investors might just as well put their money in the Post Office."

This week Sir Mark Henig, chairman of the English Tourist Board, has asked the Government to give consideration to the lack of medium- and low-priced accommodation in England. "Forecasts show that many more bedrooms will be needed in the next decade and the timing of the next wave of development will be critical."

Aluminium demand recovers

By James McDonald

THE RATE of recovery in aluminium demand, which slowed during August, recovered in September, according to the latest Aluminium Federation figures.

Despatches of rolled products during the month, at 17,808 tonnes, were about 3,500 tonnes above the August level, and compared with 16,053 tonnes in September last year.

In extruded products, despatches also were considerably higher in the month at 17,8?9 tonnes, compared with 11,716 tonnes in August, and 11,747 in September, 1975.

Under 21s take 10% of mortgages

NEARLY 10 per cent. of mortgages now being granted go to couples where the husband is under 21, according to the Anglia Building Society.

The society says that, as a result of the Family Reform Act 1970, which reduced the age of legal responsibility from 21 to 18, more younger people were now buying their own homes. Until five years ago, the society adds, virtually no one in the 18-21 age group owned a house.

A survey of purchases by the 18-21 age group showed that the average price paid by the new generation for their homes was £7,541, with a mortgage of £6,915 involved. Virtually all the couples raised money on the basis of joint incomes—£4,278 on average.

The Anglia estimates that about £2,000 in ready cash is required by to-day's house buyers to cover the deposit, legal fees and furnishings, and describes the growth of home ownership in the younger age groups as "heartwarming and impressive."

The society's survey showed that the most expensive house purchased in this category was in the south Midlands.

It cost £10,400 and was bought by a husband, aged 20, earning £3,300 a year, and his 18-year-old wife, who had an income of £1,200.

Talks on improving education system

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE CBI and the TUC have been asked by the Government to join two dozen other bodies, including the teachers' unions, in discussing improvements to the education system.

A particular point of the discussions will be the Prime Minister's recent appeal for better relations between education and industry which Mr. Callaghan repeated yesterday when opening a new careers centre at Woodberry Down comprehensive school in London.

"I am very keen that there should be greater integration between life at school and in industry," the Prime Minister said, "not because I think industry is the whole of life, but because I think it is essential that our country should have a close understanding betwen education and industry."

The prime aim of the discussions—which will also cover school curricula, assessment of performance, and teacher-training—is to guide the Department of Education and Science in producing a consultative document for more widespread debate at a series of conferences to be held in various parts of England and Wales early next year.

Particular problems which are noted in the agenda for the discussion programme include the low proportion of girls who take up the study of sciences apart from biology, the shortage of good maths teachers and pupils, and the quality and extent of modern language learning.

New Channel ferry service

A NEW car ferry route to France—from Portsmouth to Le Havre—is to be introduced by Townsend Thoresen for 1977. The new service, Townshend Thoresen's eighth, will start on May 21. Fifty-eight week-end sailings will be operated until early September.

Departures from Portsmouth will be at 14.30, with sailing from Le Havre leaving at 09.00. The crossing should take 5 hours.

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LABOUR NEWS

Unions 'should have half of seats on State Boards'

BY JOHN ELLIOTT, MANAGEMENT EDITOR

TRADE UNION representatives should be given half the seats on management Boards running Government ministries and local council departments according to a policy document on industrial democracy in the public sector published to-day by the Fabian Society.

These Boards, made up on a 50-50 basis of civil servants and trade union representatives, would run the departments as the lower level of a two-tier structure. The top tier would comprise the Cabinet for the Government and local councils in municipalities.

The Society, which acts as a forum for debate within the Labour movement, also condemns the secrecy in which internal Whitehall inquiries into public sector industrial democracy are being conducted. It calls for the Whitehall reports to be published.

Constrasting this public sector exercise with the parallel Bullock Committee on private sector industrial democracy, the Society says: "Disclosure and accountability are important strands in industrial democracy. Their absence in the preliminary moves is a poor augury for the future."

However, there seems to be little hope that the Government will publish in full the evidence and recommendations of the Whitehall inquiries which cover nationalised industries, local government, the Civil Service, and fringe organisations.

But the conclusions that Ministers come to on the basis of the reports are likely to be included in a White Paper next year. This could either be a White Paper dealing with the Bullock issues or one on the future structure of nationalised industries, including the implications of the National Economic Development Council report on the subject.

The eventual Bill, planned for next summer, is expected to apply the Bullock industrial democracy formula, to both the private sector and to nationalised industries as well as including other proposals for the rest of the public sector.

This Bullock formula—known as "2x + y"—envisages a Board being split into three parts. There would be two large equal-sized ones of union and shareholder representatives and a smaller part chosen jointly by the first two. The Fabian Society to-day opposes this dilution of the TUC's original 50-50 parity demand and says in its ideas for nationalised industry Boards: "The principle of 'parity representation' for trade union representatives is a principle that cannot be breached."

The Society points out that it is "not interested in token representation but in joint decision taking." It says that there should also be similar trade union representation on all committees and subsidiaries within a nationalised industry.

Its proposals for central and local government move into the sensitive area of how to merge parliamentary and industrial democracy. It is for this reason that the society suggests that the trade union representatives should sit on the lower tier management Board rather than on a top tier, so reversing the TUC's original two-tier supervisory Board ideas for the private sector.

"It would be difficult to see trade union representatives as full members of the Cabinet, and membership of councils raises industrial-political democracy issues. It is less difficult to see them involved at 'management Board' level," says the society.

"Experiments should concentrate on the differences between involvement in decision making in managerial-operational issues, rather than with general public issues . . . it is possible to see different contributions that trade union representatives could make."

The Society stresses that it wants a "gradual development through permissive formulae rather than by strait jacket legislation" and suggests that the Advisory, Conciliation, and Arbitration Service could become a "resource centre" of information on industrial democracy

"Fabian Comments on Industrial Democracy in the Public Sector." Fabian Society, 11, Dartmouth Street, London, S.W.1, price 50p.

Rubery Owen strike may hit car output

BY OUR LABOUR CORRESPONDENT

A PAY STRIKE involving 120 engineers at a key motor industry component supplier poses a potential threat to motor manufacturers in general and British Leyland in particular.

Rubery Owen's Darlaston (Staffs) plant was paralysed yesterday when 120 engineers stopped work over a pay demand which, management says, would amount to an extra £10 a week.

Nearly 2,000 of the plant's 2,300 workers were made idle and production of wheels, petrol tanks, chassis frames, suspension units and other components was brought to a halt.

Production of British Leyland's Mini, Rover and Jaguar models is likely to be jeopardised if the stoppage is prolonged.

Meanwhile at Leyland's Cowley, Oxford, complex, joint negotiations involving the Transport and General Workers Union and the Amalgamated Union of Engineering Workers are to be resumed after a break of two months.

Officials of the two unions met yesterday to discuss problems which had arisen and in a joint statement said they had settled their differences.

The truce means that many trade union claims blocked in the factory's disputes machinery can now progress.

A ban on joint talks was imposed by the TGWU after the union's district secretary, Mr. David Buckle, accused the AUEW's convenor, Mr. Doug Hobbs, of personal attacks on himself and Mr. Reg Parsons, the senior TGWU shop steward.

Ship repairers' appeal on sackings rejected

BY OUR CARDIFF CORRESPONDENT

AN APPEAL by Bristol Channel Ship Repairers against an industrial tribunal ruling that 13 men were dismissed unfairly was rejected yesterday by the Employment Appeal Tribunal.

After a 50-minute adjournment at Bridgend, Glam., Mr. Justice Phillips, chairman, said the tribunal thought the appeal must be dismissed. He said reasons for the decision would be announced in writing in London.

The company was refused leave to appeal to the High Court.

Bristol Channel Ship Repairers lodged the appeal after the ruling of an industrial tribunal in Cardiff that there was a real possibility that the 13 men had been victimised.

Docks row cancels Brittany ferry

By Our Labour Staff

THE FERRY service between Plymouth and Roscoff, on the Brittany coast, was cancelled yesterday because of a dockers' dispute.

The dockers are protesting that the introduction of a new freight service between Portsmouth and St. Malo by Brittany Ferries, which also runs the Plymouth-Roscoff ferry, will take work away from other South Coast ports such as Plymouth.

In Portsmouth, lorry drivers who crossed picket lines were warned by dockers that their numbers were being taken and they would be "blacked" at other ports.

Plymouth men were picketing in Portsmouth but some of the Portsmouth dockers have continued to unload freight.

Aided train for Courtaulds workers

A special train taking workers at the doomed Courtaulds weaving mill at Skelmersdale New Town on a demonstration excursion to London will be partly financed out of local rates.

West Lancashire district council, which is demanding a public inquiry into the proposed closure, timed for January, is contributing £450 towards the cost of a special train.

Row over extra pay delays TSBs' launch of personal lending

BY CHRISTIAN TYLER, LABOUR STAFF

AN ARGUMENT about how much money can be paid for extra responsibility within the pay policy guidelines is jeopardising the Trustee Savings Banks' launch next week of personal lending to customers.

The Department of Employment has told the TSBs that pay rises for their bank managers agred with the National Union of Bank Employees have to be fuly justified in terms of the extra responsibility likely to fall on the managers.

The union, which enjoys a limited closed shop for its 13,000 members in the TSBs, will protest to-day to Mr. Harold Walker, Minister of State for Employment, that the department is wrong in trying to limit the wage increases agreed.

For the moment, it has asked its members not to take on the extra work of handling personal loan applications.

According to the department yesterday, although the pay policy allows wage increases for extra responsibility, it is up to employers to prove that the wage rises fully match the extra work.

The department is clearly anxious to prevent employers using this provision as a way of getting round the 5 per cent. limit on wage rises by over-compensating for changes in job descriptions.

In this case, rises of at least £700 a year are planned for about 1,650 managers, whose present salaries range from £3,705 to just under £7,000, according to the turnover of their branch.

The department has already told the banks that they should take the lower rather than the upper estimates of what extra work is involved and pay accordingly.

The banks' planned excursion into private lending is a result of the 1976 Trustee Savings Banks Act, which effectively brought the 17 banks into the private sector and freed them from Treasury control. Hitherto their personal lending has been only indirect, as intermediaries in finance company agreements.

Yesterday the TSB central Board said it regretted that NUBE should have made the problem public while discussions were still going on. It hoped that a formula, linked with a letter of intent to staff, could be devised which would be acceptable to the union and allow the lending scheme to go ahead on Monday.

● About 20,000 Barclays Bank staff, have signed a petition circulated by NUBE protesting at the bank's decision to deduct from next year half the value of the State pension from company pension pay-outs.

The reason for Barclays decision, NUBE said, was the extra cost of proofing pensions against inflation and of the national insurance stamp. Pensions in the clearing banks are not generally negotiable

Mining unions seek say in running pits

BY OUR LABOUR STAFF

THREE MINING unions have agreed to make a joint approach to the National Coal Board for greater participation in the running of the coal industry.

The National Union of Mineworkers, the National Association of Colliery Overmen, Deputies and Shotfirers and the British Association of Colliery Management have agreed on the target of a 14-man committee at pit level to be chaired by the colliery manager.

But they are still haggling over the composition of the committee with the NUM seeking to extend its share beyond the suggested six seats. Under present suggestions NACODS would have two seats, BACM one with the pit manager appointing four of his colleagues.

Under the joint union approach, each union would decide how its representatives were nominated, but they would be expected to include the branch officials and others with at least three years experience.

The unions want the proposed committees to take over from the present consultative committees and hope they will have responsibility for colliery objectives, action programmes, monthly results and performance, technical inspections and safety.

Orme defends involving unions in pensions

BY ERIC SHORT

THE GOVERNMENT'S proposals for members of pension schemes to participate in the management of their schemes through the involvement of trade unions were defended yesterday by Mr. Stanley Orme, Minister for Social Security, when he addressed an Industrial Society conference in London.

He said he was confident that the plans for 50 per cent. member participation through the agency of recognised, independent trade unions were both reasonable and realistic and would stand the test of time.

Mr. Orme pointed out that the Government's plans would not involve any change in the trust law, under which pension schemes operate. The trustees of a pension scheme, whether nominated by a trade union or not, would still be responsible to the whole membership of the scheme.

The proposals were designed to give members a fair share of the seats, but not a majority, and did not cover matters such as contribution and benefit structures, which were properly for collective bargaining.

Suggestions by the pensions industry that nominees should have to be members of the pension scheme were unnecessarily restrictive and could prevent the nomination of a highly respected union official who was a pensions expert. They would also raise the question of similar restrictions on employers' nominations, but the Government was still looking into this.

Mr. Orme dismissed the concern expressed by some bodies that trade union officials might be unduly influenced by union policies on investment to the detriment of the interests of scheme members. This had not happened so far in schemes where officials were already involved and he was confident that they would continue to safeguard fully the interests of all scheme members.

Perkins staff praised

Ten thousand workers received a pat on the back from their company yesterday "for beating the foreigners at their own game."

They are all employed at Perkins Engines, Peterborough, which produced nearly 270,000 diesel engines in the 12 months to October 31—8,000 up on the previous year.

The tribute was paid by Mr. Michael Hoffman, the company's new managing director, at the Public Works Exhibition in Birmingham.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

Burroughs raises mid-range power

WHEN BURROUGHS announced its 1700 machines several years ago, they were a major jump in processing power for the small-to-medium user, presenting many characteristics which have since been incorporated in competing units.

With the 1800 series announced yesterday, the company has done another quantum jump since, price for price, the equipment provides 40 per cent. more throughput and is considerably more compact while needing about half the kilowatts to drive it.

The low end starts at around £60,000. At the top end of the range, the 1870 provides about three times the capacity of its largest predecessor for a cost of around £340,000.

Hailed in a recent financial analysis by Jordan Dataquest as the only computer builder other than IBM that "will survive 1980 as an independent entity," Burroughs has taken heed in launching this new equipment of the increasing move in the U.S. and Europe towards processing where the data arises, connecting the necessarily smaller machines installed around a series of factories by a network of communications lines and treating the central machine as just another unit in the network — distributed processing, in other words.

The 1800's are equipped to do just this, or to operate as a power centre controlling large numbers of peripherals.

Equally important is the fact that user programs written for 1700's can be run on the new equipment without modifications but at higher speeds. This protects the current users' heavy investments in application programming work, a point too often forgotten in the past by some makers.

Another interesting aspect of the equipment is the way in which provision has been made to permit virtually any type of data entry—by mini-discs, cassette, VDU and keyboard, punched card, magnetic ink readers and optical readers.

There also is software provision for direct data entry on line, as well as magnetic environment entry.

Three new central processors are included and a variety of peripherals and terminals. Advantage has been taken of the very rapid advances in circuit technology since the previous launch in this sector of the market to speed up processor and memory logic. First delivery is in mid-1977.

More from the company at Heathrow House, Bath Road, Cranford, Hounslow, Middx. TW5 9QL. 01-759 6522.

Telex bids for more IBM users

TELEX Computer Products, leading supplier of plug-compatible peripherals and add-on memory for IBM 360/370 systems in the U.K. is seeking to increase its share further by carrying the war to the enemy.

It is offering a trial run of the Telex 1600 bpi tape drives; monthly payments 25 per cent. below the IBM lease payments; and low initial payments to offset the penalty to users of cancelling their leases.

The free trial period offered is for 45 days, the only charge incurred being for maintenance. If users find the drives unsatisfactory, Telex will simply take them away. Otherwise the users will keep the drives at a monthly charge, including maintenance, 25 per cent. below the IBM ETP payment, and at a rate fixed for the contract period of 3 years (subject only to increases in the maintenance element in the charge).

A user replacing four IBM 3420 model "7" 200 kb/s drives and their associated controller could look for savings in the region of £6,000 a year.

The major disincentive to users considering the switch to plug compatibles is that if they have taken advantage of the lower prices available from IBM through the FTP (fixed term plan) and ETP (extended term plan) lease plans they will face penalty payments on cancellation which vary from two to five times the monthly payments.

What Telex is prepared to do is to ask only nominal payments for an equivalent number of months prior to the commencement of the full contract. This should reduce the changeover cost to users to virtually nothing, especially if they give IBM its required one month's notice to run during the period while the Telex drives are installed free of charge.

Telex Computer Products, 213 Oxford Street, London W1R 1AH. 01-734 9131.

IBM's maid of all work

INTERESTING in all the comment on the U.K. mini-computer market following the Peachtree announcement from Atlanta is that everyone is saying: "But there must be a lot more to come."

A cynical view of this would be that IBM has already made enormous capital out of keeping everyone on tenterhooks for about a year. A more pragmatic view is that IBM does not really care all that much about Press and competitor skirmishing and is painstakingly laying the groundwork so that it can cover two areas where, to put it mildly, it has not been as good as some of its competitors.

These are the areas of distributed processing—and until three years ago, IBM spokesmen were casting scorn on intelligent terminals—and process control.

Neither of the two new central processors now announced appears fast enough to do the really demanding jobs in process control, such as supervising a big nuclear power station, or a large petrochemicals line, where there could be up to 16,000 inputs. But observers expect a third and larger machine to come out shortly.

Agreement is unanimous that the new offering must be seen in the light of the network software announcement made in Europe and the U.S. in recent days. It is the general purpose, work-a-day machine which can serve very well as a local processor in a large network, with its ability to communicate and to run a variety of inputs, including some from local administration and some from the local production line.

And if the worst comes to the worst and many U.S. users rather than the present few do begin to turn their backs on large central machines in favour of heirarchies of mini-computers, IBM will have several products tailor-made for the job, and working with users who have been customers since the company first appeared over the horizon in data processing at the beginning of the 1950s.

● STANDARDS

New plug argument hots up

THE IDEA of a new mains plug and socket that could become a world standard has now reached the point where a proposed design has been completed and will soon be circulated to all 42 members of the International Electrotechnical Commission (IEC). Each country will then have to make up its mind about accepting and implementing.

At a recent conference in London held by the British Standards Institution to answer journalists' questions, it became evident that the argument will centre not so much around the technical definition of the new plug and socket, but around the cost of implementation for the user and the extent to which the average householder is likely to become aware of what is being planned for him.

One revelation at the meeting was that the Department of Prices and Consumer Protection has no clear idea of the cost to the community of making the change or, if it has, is not publicising it. On the basis of what each household might have to spend over a ten-year period it was estimated in this page in July that the U.K. figure alone might approach £500m.

Conservatively multiplying by ten for the EEC, the figure becomes a staggering £5bn. The question that must forcibly be asked is whether the U.K. in particular can afford an extremely expensive change, the main result of which is going to be considerable irritation to the user. If the move takes place there will in a few years be *three* kinds of mains plug and socket in the U.K.

A particular problem lies in letting ordinary people in business and in households know what is in store, and it was admitted by BSI at the meeting that the institution ought to improve its techniques of public communication. At the moment nothing seems to be planned by the Government to make any comprehensive sounding of public reaction. It does appear, however, that if sufficient public opposition arose, any attempt by the EEC to impose the new standard could be vetoed by the U.K.

The serious danger remains that by the time the public has grasped the facts it will be faced with a *fait accompli*. At the moment the best point at which to feed in a viewpoint is to Miss Jill Ashford, of the BSI Consumer Committee, BSI, 2, Park Street, London W1A 2BS (01-629 9000).

● PROCESSING

Takes liquid from air lines

DESIGNED TO expel automatically, condensed moisture and compressor carry-over liquids from pneumatic systems, a compact unit called the Aquajet has been launched by Schrader Pneumatics, Walkmill Lane, Bridgtown, Cannock, Staffs., WS11 3LR (05435 4011).

The maker says that to obtain the best results the device should be installed in a pneumatic circuit at the bottom of a receiver, accumulator or after-cooler tank, at the end of a drop-leg, or, in any position where liquids tend to accumulate. The unit can replace manual drain-off points, and would prolong the life of compressed air equipment and tools.

Operated by a float which actuates a discharge valve (a manual over-ride is incorporated), the unit has either a polycarbonate or metal bowl depending on the maximum operating temperature (50 or 80 deg.C). The inlet pressure ranges from 30 to 175 psi, and port size is ¼ inch BSP.

No-break power made safer

A NEW stand-by source of AC power based upon sealed, maintenance-free, long-life batteries is being manufactured by EDC Electricals.

Centaurus is a low-cost system which automatically operates in the event of mains supply failure and maintains fluorescent emergency lighting, small electric motors (that is in clocks, central heating pumps, deep freeze units, accounting machines, typewriters and tools), fire alarms and public address systems. It is thus suitable for installation in shops, offices, public buildings and industrial premises.

Installation of the system enables property owners to comply with the Codes of Practice issued by the Home Office under the Fire Precautions Act 1971. Such a code has been issued for hotels and boarding houses, specifying the illuminance requirements of escape lighting.

The emergency system can supply equivalent mains power —240 volts at 50 cycles—for periods up to 3 hours. In the Centaurus range there are 4 units, with outputs of 350, 750, 1050 and 1350 watts.

Each unit contains 4 sealed lead-acid batteries that need no attention for at least 10 years. The capacity of the largest individual battery is 200 ampere-hours, which is claimed to be the largest sealed capacity available on the U.K. market. As the batteries do not need topping up they are ideal for use in petrochemical and similar plants (that is on oil and gas rigs) where maintenance may present problems.

EDC Electricals, Bristol Road, Bridgwater, Somerset TA6 4AR, 0278 2882.

This combined respirator and safety helmet has a fan which directs clean, filtered air across the wearer's face in conditions of fumes or dust. Ordered by the British Steel Corporation to the tune of 2,000, they are deemed to be the most advanced of their type in the world and will be delivered early next year. The Corporation and the manufacturers, Racal-Amplivox, have co-operated closely during the development programme which involved a series of proving trials at BSC coke oven batteries over a 12-month period. First helmets will be provided to those employees who are subject to fume conditions while working on coke ovens, as part of a package of improvements aimed at protecting the health of coke oven operators. Sir Charles Villiers, chairman of the British Steel Corporation, yesterday described the development of the respirator-helmet as "an outstanding illustration of active co-operation involving the National Research and Developmnt Corporation, a nationalised industry and the private sector."

"Airstream" is much more comfortable to wear than conventional devices such as a safety helmet, goggles and respirator. It is very light, weighing less than two pounds, and provides a constant passage of cool, filtered air over the face behind a transparent visor.

● RESEARCH

Plating any material on any surface

UNIQUE services to industry will be provided through University of Salford's Industrial Centre which is setting up a surface coating facility under a £96,000 Wolfson Foundation grant.

Recognising the importance of the Foundation's support for significant developments, often forthcoming long before any aid is given from Government or other sources, the centre is to be known as the Wolfson Ion Plating Unit. It will use the ion-plating process technology developed originally within the Department of Aeronautical and Mechanical Engineering by Mr. D. Teer of the friction technology group led by Prof. J. Halling.

The Centre will have two functions—one to develop platers for specific industrial requirements and the other to tailor-make equipment to customers' needs.

Companies will be able to have test samples coated for evaluation, order full production runs, obtain contract research and development and rely on the Centre's advisory services.

Ion plating is unique as an industrial process because of the way it will permit highly refractory metals to be implanted into the surface layers of softer materials, thus placing a hard and wear-resistant coating on tools, dies and moulds, plastics and so on. Coatings can also be formulated so that the end-product has very low friction, or is extremely resistant to corrosives.

Ion plating is the most recent of the coating techniques and consists of vapour deposition on a surface maintained clean in a glow discharge. Excellent adhesion is achieved between coating and base material even when the two do not, or not readily, alloy.

Practically any metal or alloy can be deposited on any metallic surface.

It is expected that hard ceramics and carbon will be platable by this method, which results in uniform thickness of deposits with no build-up on corners and good coverage on back surfaces.

The result of the process is a fine grain layer free from pores and the technique is sufficiently flexible to allow some very interesting surfaces to be built up.

Further from John Hall, Commercial Manager, Salford University Industrial Centre, Salford M5 4WT. 061-736 5843.

Promise of denser SC memories

FOR DIGITAL data storage, some of the largest bit densities are at the moment being obtained experimentally with charge-coupled devices. But they have line sequential read-out and the requirement is of course, for random access.

Under investigation at the Siemens Reserch Laboratories is a memory device with bit density comparable with CCD but nevertheless allowing random access. It is referred to by Siemens as "C-cubed RAM" or continuously charge-coupled RAM and uses as storage elements single transistor memory cells connected to a common bit line which is implemented as an MOS transmission line.

By applying different voltages to the line a drift field is created in the semiconductor. If a charge from a single cell is now injected into the line the field causes this charge to propagate along the silicon surface to the read-write amplifier.

Initial tests have shown delay times of about 250 ns with the MOS line length at 300 microns.

The charge can be transported with practically no losses if the available time is long enough compared with the delay time on the transmission line.

Siemens states that it is theoretically possible to achieve a packing density of 32 kbit for chips in conventional packages. The time for a complete read-write cycle would be about one microsecond. The company believes that "a considerable time" will lapse before devices of this kind go into production.

● TELEPHONES

Micros run a PABX

JOINING the queue at the Post Office is ITT Business Systems which has applied for approval on its 4080 PABX in the wake of Pye, Plessey and GEC.

Relying entirely on solid-state technology for its analogue transmission network, it calls heavily on microprocessors to supervise the various levels of control—extension line circuits, trunks and tielines, as well as elements of the solid-state switching matrix; decisions on calls, reference to instructions, etc.

To be offered in the 2,000 extension area of the market, the unit has been engineered to cater for up to 10,000 extensions if required.

Post Office approval is a lengthy procedure, as IBM has found out at some cost. Therefore, ITT will in the meantime continue to promote equipment from the Pentomat range.

The system gives a wide range of voice features including conference, abbreviated dialling, rapid number change, callback, follow-me transfer, push button dialling and call logging. Intrinsic to the design concept is the capability for the later incorporation of further advanced voice and data features which are being implemented in anticipation of the trend in integrated office communications.

ITT Business Systems, Lion Building, Crowhurst Road, Hollingbury, Brighton BN1 8AL. Brighton 507111.

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APPOINTMENTS

Marix Evans to be head of Lamson Industries

Mr. S. H. Pearce is to retire as chairman of LAMSON INDUSTRIES on December 31, but will remain on the Board and become president. Mr. J-P. R. Marix Evans will be chairman and chief executive from January 1. Mr. I. A. Bailey, vice-chairman, also retires at the end of this year and will resign from the Board. Mr. W. M. Nichols, formerly vice-president and general manager of the Canadian division of Moore Corporation, will join the Board and has been appointed managing director and chief operating officer of Lamson Industries from January 1.

★

Mr. Ernest Smith has been made deputy chairman of the CONSTRUCTION INDUSTRY TRAINING BOARD. He succeeds Mr. Leslie Kemp who became chairman when the Board was reconstituted earlier this year. Seven new members have been appointed. They are: Mr. M. Ferdy, Mr. A. Williams, Mr. W. Young, Mr. F. H. Elliot, Mr. D. Dick, Mr. J. L. Brace and Mr. D. Coatsworth.

★

Mr. A. G. Roberts has been appointed general manager of TRIDENT LIFE ASSURANCE and TRIDENT INVESTORS LIFE ASSURANCE, members of the Schlesinger Group.

★

Mr. W. F. Howe has retired as managing director of MONO GROUP and chairman of its U.K. subsidiaries. He remains a non-executive director of Mono Pumps until December 31. Mr. H. E. Martin-Leake has been appointed managing director of the Mono Group, chairman of U.K. subsidiaries, and director of overseas subsidiaries. He joined the group as assistant managing director last year.

★

Mr. Charles Potter, administration manager of British Transport Films, has been appointed secretary of the recently-formed ASSOCIATION OF VIDEO DEALERS from January 1.

★

Mr. A. E. Williamson has been appointed marketing executive of HOOVER in place of Mr. Harvey Tulloch who is to retire.

★

Mr. Ruggero Gulliet has been elected president of KELLOGG INTERNATIONAL CORPORATION, London, and senior vice-president of eastern hemisphere operations of the Pullman Kellogg Division of Pullman Incorporated, which is headquartered in Houston. He succeeds Mr. Thomas J. Ryan, who has transferred to Pullman Kellogg headquarters in Houston, as senior vice-president of world-wide finance and administration.

★

Mr. A. S. Woodhams has been elected president of the CHEMICAL INDUSTRIES ASSOCIATION in place of Mr. John S. Hunter who retires after two years as president. Mr. Bryan Rigby has been appointed chairman of the Trade Affairs Board of the CIA.

★

Mr. Stuart A. Barr has been appointed deputy chairman of the BARR AND WALLACE ARNOLD TRUST. Mr. R. D. Crowther, group financial director, and Mr. J. R. Foster, company secretary. Mrs. Margaret Hook has been made managing director of the Hotels and Travel Agency Divisions. The changes follow the retirement of Mr. W. Berry as director and secretary of the Trust.

★

Mr. Douglas Porter has been appointed a director of TFC FOODS. He was previously with Associated Fisheries and Foods.

★

Mr. A. C. Stewart has become director of international marketing and sales of the parent concern WARNER ELECTRIC BRAKE AND CLUTCH COMPANY. He will be based at international headquarters in Lausanne, Switzerland. Mr. M. P. Nutting, previously director and manufacturing manager, has succeeded Mr. Stewart as managing director of Westtool.

★

Mr. A. Wilson, founder and chairman of SCHARMANN MACHINE, is to retire at the end of the year.

★

Mr. J. T. Inglis, finance director of INTERNATIONAL COMBUSTION (HOLDINGS), has been appointed managing director. Mr. J. A. C. Talbot, chairman, has relinquished the position of acting chief executive.

★

Mr. Iain Blackhurst has resigned as a director of CENTURY ALUMINIUM COMPANY. Mr. A. M. Fyall and Mr. C. J. Romer have been appointed directors.

★

Mr. H. H. T. Hudson has been re-elected chairman of LLOYD'S and Mr. L. R. Dew and Mr. I. H. F. Findlay will be deputy chairmen from January 1.

★

Mr. E. H. Sangwine, managing director of Anglesey Aluminium, has been elected a corporate vice-president of KAISER ALUMINUM AND CHEMICAL CORPORATION, of the U.S.

★

Mr. Kenneth Baker, Conservative MP for St. Marylebone, has joined the Board of WORDPLEX, a subsidiary of Ventek International.

★

Sir Monty Finniston, a director of Sears Holdings and former chairman of the British Steel Corporation, has been appointed president-elect of the INSTITUTE OF PRACTITIONERS IN WORK STUDY ORGANISATION AND METHODS. Sir Monty takes office in January and succeeds Prince Philip, who has been president for five years and is now being made an honorary fellow of the Institute.

★

Mr. Alan Tweedale has been appointed to the new post of deputy managing director of ASSOCIATED HEAT SERVICES.

★

Mr. G. E. Moggridge has been appointed public relations officer for the EXPORT CREDITS GUARANTEE DEPARTMENT, in succession to Mr. C. F. A. Salaman who has left the Civil Service to resume his academic career. Mr. Moggridge joins ECGD from the staff of the Prime Minister's Office at Downing Street.

★

WILLIAM WHITTINGHAM (HOLDINGS) states that Mr. W. T. Whittingham, chairman and managing director, is recovering from his operation but will be unable to take part in the affairs of the company for at least some months. Mr. P. J. Howells and Mr. G. Sharples have been appointed joint managing directors. Mr. J. M. Wardle, who has been associated with the company in an advisory capacity since its formation, has been made a director and elected deputy chairman. He will serve as acting chairman pending the return of Mr. Whittingham, who does not anticipate resuming the joint capacities of chairman and managing director.

Barclays Bank group changes

Mr. Noel McCann has been elected chairman of BARCLAYS UNICORN, BARCLAYS UNICORN INTERNATIONAL and BARCLAYS LIFE ASSURANCE. He is a director and general manager of Barclays Bank Trust Company and succeeds Mr. Derrick Hansen, who has resigned from the bank to develop other business interests. Mr. Hanson will retain a link with the bank as a member of Barclays Manchester Local Board.

★

Mr. Carl Apel, formerly sales director, has been appointed to the newly-created position of managing director of HAARMANN AND REIMER in the U.K.

★

In view of the fact that Mr. J. L. C. Pearce is a substantial shareholder of Hutchison International, he has requested the Board of WHEELOCK MARDEN AND CO. to accept his resignation to avoid any possibility of a conflict of interest arising in relation to a possible bid situation. He will remain as a director of Hong Kong Realty and Trust and Lane Crawford and subsidiaries, members of the Wheelock Marden group.

★

Mr. Michael Hirst has been appointed operations director of LADBROKE HOLIDAYS and will also be responsible for the Ladbroke Courage developments in the West country. Mr. Hirst was previously with Trust Houses Forte.

★

Mr. G. J. Peat and Mr. R. G. Williams have become directors, and Mr. I. Parry, financial director of RODNEY R. BILLINGTON.

★

Mr. Ron Back is to become director of the service department of POST OFFICE TELECOMMUNICATIONS from December 1 in succession to Mr. Jim Golothan, who is retiring.

Rolls-Royce Motors divisional post

ROLLS-ROYCE MOTORS has appointed Mr. Peter Vinson as general manager of the diesel division and managing director designate from November 22. He will continue as managing director of the military engine division. Mr. Ronald Whiteside is to retire early from his position as managing director of the diesel division at the end of next year but will remain as a consultant.

★

SIMON-CARVES has appointed Mr. F. Egerton to contracts and engineering director, and Mr. H. C. Massey, sales director (bulk handling). Managerial appointments are Mr. H. S. Bickerton, contracts (bulk handling); Mr. W. Rust, projects (process industries); Mr. G. D. Shaw, contracts (process industries); Mr. R. Wilcox, drawing office, inspection and technical training; and Mr. F. Wild, erection, special projects and development.

★

Mr. A. J. Hollington, director of Hollington Bros. (Colchester), has been elected chairman of the TEXTILE DISTRIBUTORS ASSOCIATION. Mr. N. R. Ross, managing director, Ralston and McKell, has become deputy chairman of the Association.

★

Mr. Dennis Masters has been appointed managing director of SACK ENGINEERING COMPANY, a subsidiary of Sack GmbH of Dusseldorf, West Germany. Mr. Masters was previously director of the rolling mill division of Sir James Farmer Norton and Co. He joined that company as divisional general manager, based in Wolverhampton, and was appointed a director in 1967.

★

Mr. Ronald T. Hardwick is to become chief executive of ASSOCIATED MINERALS CONSOLIDATED from February next year.

★

Mr. John Eccles has been appointed a part-time member of the MONOPOLIES AND MERGERS COMMISSION. He is managing director of Head Wrightson and Co.

★

Mr. Jack Lowe, of Sir W. H. Bailey and Co., has been elected chairman of the BRITISH VALVE MANUFACTURERS' ASSOCIATION on the retirement from that office of Mr. G. M. Ranson of Serck. Mr. S. F. Moore, of the Metro-Flex Group, has been elected vice-chairman of the Association.

★

Mr. R. J. Clayton has been appointed a member of the ADVISORY COUNCIL ON RESEARCH AND DEVELOPMENT FOR FUEL AND POWER. He is technical director of the General Electric Company.

★

Mr. Iain Kirkland has joined the G. R. FRANCIS GROUP as a director and general manager of G. R. FRANCIS. He was previously marketing director of the Tricentrol Group.

★

Mr. A. D. Stalbow has been appointed chairman of GR (HOLDINGS) following the death of Mr. A. S. Stalbow.

★

Mr. Nilansu Ghose, executive deputy chairman of Guest Keen Williams (GKN's major subsidiary in India), has been appointed to the Board of GUEST KEEN AND NETTLEFOLDS (OVERSEAS), the holding company which controls most of GKN's interests outside the U.K. and Europe.

★

Mr. Hans R. Schaffner has been elected chairman of the main committee of the ALUMINIUM FOIL CONTAINER MANUFACTURERS ASSOCIATION. Mr. Don Holloway becomes chairman of the Association's publicity committee.

HOME CONTRACTS

ITT Creed wins £9m. Post Office order

ITT CREED, Brighton, Sussex, has received a Post Office order worth more than £9m. for a total of 6,375 teleprinters and associated equipment.

★

BRITISH STEEL CORPORATION'S tubes division has won contracts worth more than £5m. for schemes to cure immediate water shortages in Britain, as well as others aimed at alleviating the effects of future droughts. This has resulted in a production boom for the division's Stanton and Staveley Group, where foundries and spun iron plants are coping with orders worth more than £2.6m. Emergency drought relief schemes involving more than 50 miles of ductile spun iron pipes are in hand at Lincoln, Stoke-on-Trent, Cambridge, Bath, Bristol, Leeds, Harrogate, Portsmouth, Swansea, Wakefield and Huddersfield. The division is also supplying 14 miles of steel pipeline for the North West Water Authority's Lancashire conjunctive use scheme, which wil provide the region with up to 62m. gallons of extra water a day by transferring it from the River Lune to the River Wyre. This order, worth more than £3m., is for pipes which will carry treated water into the supply network.

★

DEACON GROUP, Tonbridge, Kent, has secured contracts worth £3.5m. Several orders have gone to Blenheim and Co., a division of the Group, including a GLC contract worth £2.04m. to build 143 houses in Hackney, East London, and another for the refurbishment of GLC houses in a two-year contract, said to be potentially worth £1m. Deacon Construction has received orders worth £¼m., including an occupational works contract worth £120,000 for an office block at Witham, Essex.

★

HGS, an associate member of the Humphreys and Glasgow Group, has been awarded two contracts by the Scottish Special Housing Association, together worth just under £1¼m., for the modernisation of Weir Steel houses in Toryglen, Glasgow and Netherthird Cumnock, Ayreshire. The company has also received two contracts worth £650,000 from Mansfield District Council for the complete modernisation of houses in Slant Lane and Forest Town.

★

HENRY BOOT CONSTRUCTION has been awarded a £1.23m. contract for construction of a new warehouse for Rockware Glass at Irvine, Ayrshire. The company has also won a £225,000 contract for major alterations and extensions to Claremont Nursing Home, Sheffield.

★

HONEYWELL has been awarded a £1m. order by the National Provident Institution, the 100th large system from Honeywell's Scottish plant at Newhouse, Lanarkshire, since production began in 1973. The Series 60 level 66 computer is to be installed at NPI's Tunbridge Wells administrative head office next year.

★

N. G. BAILEY AND CO., Sheffield, has won two orders totalling about £¼m. One contract, worth about £175,000, is for the electrical installation at the new Lincolnshire Central Divisional police headquarters at Nettleham, near Lincoln. The other, worth more than £50,000, is for similar work in the refurbishing of Littlewoods retail store in Kingston-on-Thames, Surrey.

PARLIAMENT

Sproat speech inquiry; document ruling to-day

Tory MP infuriates Labour as privileges row grows

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

ALLEGATIONS by a Conservative MP that the Labour Party had been infiltrated by fifth columnist "crypto-Communists" was referred yesterday on the recommendation of Mr. George Thomas, the Speaker, to the Committee of Privileges.

The motion to take this action was approved by a Commons majority of 260 (370-110).

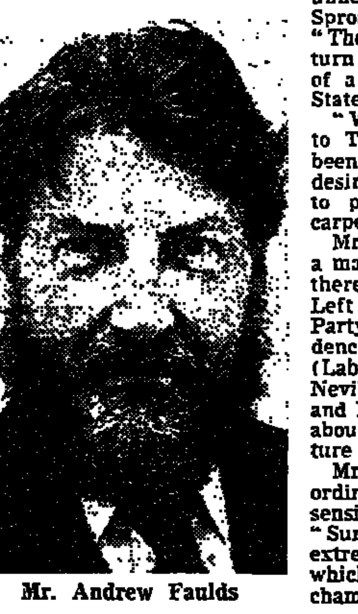
Other accusations made by the Social Democratic Alliance, a group of Labour moderates, that at least 33 Labour MPs—including three Cabinet Ministers—have helped Communist and Trotskyite front organisations, are to be the subject of a further ruling by the Speaker in the Commons this afternoon.

Labour indignation boiled over as passages from the SDA document, adding to the charges already made, were read out by Sir Paul Bryan (C., Howden).

Sir Paul pointed out that this document had published the 33 names, and he proceeded to recite them, maintaining that here, too, was a matter that the Privileges Committee should consider.

The Speaker, repeatedly calling for order, threatened to suspend the debate on the issue, as Labour MPs shouted their disapproval of obvious Tory amusement over the situation.

The vote occurred on a complaint by Mr. Arthur Latham (Lab., Paddington) that a speech on Monday by Mr. Iain Sproat (C., Aberdeen S.) to London-Scottish graduates was a breach of Parliamentary privilege or contempt of the House.



Mr. Andrew Faulds

When the Speaker ruled the allegations to be a prima facie breach of Parliamentary privilege; Mr. Sproat was invited to make a statement or leave the Commons chamber. He walked out to cheers from Tory backbenchers and hisses from Labour MPs.

Mr. Sproat said later that he welcomed the opportunity to go before the committee and give evidence backing up his speech. One committe member, Mr. Ian Mikardo, a Left-wing member of Labour's national executive, who said he was one of the MPs named in the attack, indicated that he would take no part in the inquiry.

Mrs. Judith Hart, another Labour NEC member, was assured by the Speaker that the committee's investigation would not inhibit any legal action in the courts.

Moving that Mr. Latham's complaint be referred to the Privileges Committee, Mr. Michael Foot, Leader of the House, urged that the matter be decided without debate. This had been the custom of previous Leaders of the House.

Mr. Nicholas Ridley (C., Cirencester and Tewkesbury) objected that Mr. Foot's motion itself was unnecessary as the matter could be described as "fair political comment, with a considerable indication of the truth."

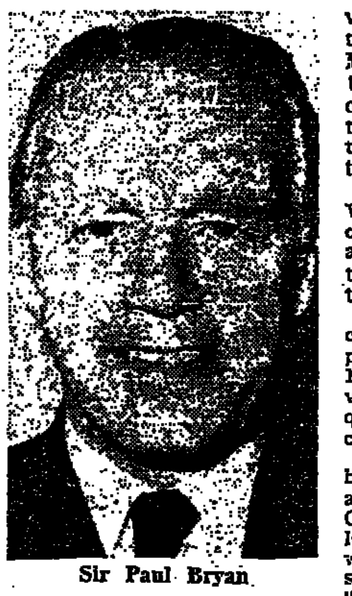
The Speaker told Mr. Ridley he was not entitled to suggest what the Privileges Committee might decide.

Mr. Ridley, pressing his point that Mr. Foot's motion was unnecessary, quoted part of Mr. Sproat's speech, which stated: "The aim of these people is to turn Britain into the equivalent of a totalitarian East European State."

"Well, it is," said Mr. Ridley to Tory cheers. Mr. Foot had been "far too sensitive in his desire to shut up Mr. Sproat and to put this matter under the carpet by sending it upstairs."

Mr. Ridley argued that it was a matter of public comment that there were a large number of Left wingers in the Labour Party. He could claim as evidence that Mr. Reg Prentice (Lab., Newham NE) and Mr. Neville Sandelson (Lab., Hayes and Harlington) had had trouble about their continuing candidature as MPs.

Mr. Ridley said it was extraordinary that Mr. Latham was so sensitive about the subject. "Surely he is proud of his extreme Left wing tendencies which he proclaims in this chamber in speech after speech."



Sir Paul Bryan

Mr. Neil Kinnock (Lab. Bedwellty) said there was a difference between referring to a speech outside the House and what Mr. Ridley was doing. "That is the beginning of the regression from the gutter down into the sewer."

Mrs. Millie Miller (Lab., Ilford N.) said the behaviour of the Opposition was rapidly approaching that of the McCarthy era when people were judged guilty by association. The imputation which was being made against some MPs, whose names the House knew, and some whose names the House did not know, was of "various kinds of treachery—either treachery as MPs, treachery as members of the party to which they belonged or treachery to their constituents to whom they had submitted themselves as members of a particular party."

Mr. Andrew Faulds (Lab., Warley E.) accused some Tories of "quoting names at random" and doing "as much damage as they can by sweeping as wide as they can with a dirty brush."

He warned that the exercise could be reciprocated. "I am prepared to give the House now 12 names of Conservative MPs whose allegiances I very much question in the context of their connection with the Right wing."

There were noisy shouts from both sides and Mrs. Miller accused Mr. Norman Tebbit (C., Chingford) of doubting her loyalty, and called on him to withdraw. Mr. Tebbit remained seated and a Labour MP shouted: "Get up you big twit."

The Speaker intervened, saying: "I heard the remark. I don't know who made it but it is totally unworthy of the House. Members should control themselves."

Mr. Tebbit said, referring to the matter of loyalty. "My comment was that MPs should try harder. If that is offensive, I gladly withdraw it."

Tempers rose and shouts grew noisier as MPs made charges and counter-charges.

The Speaker warned: "If the House goes on like this, I shall have to suspend the proceedings. I am not going to have MPs just shouting at each other."

Bryan reads out names

The 33 MPs named in the SDA document, read out by Sir Paul Bryan, were:

Miss Joan Maynard (Brightside), Mr. Norman Atkinson (Tottenham), Mr. Sydney Bidwell (Southall), Mrs. Renee Short (Wolverhampton NE), Mrs. Judith Hart (Lanark), Mr. Russell Kerr (Feltham and Heston), Mr. Frank Allaun (Salford E), Miss Jo Richardson (Barking), Mr. Douglas Hoyle (Nelson and Colne), Mr. Stan Newens (Harlow), Mr. Roy Hughes (Newport), Mr. Eric Heffer (Walton), Mrs. Audrey Wise (Coventry SW).

Mr. Julius Silverman (Erdington), Mrs. Lena Jaeger (Holborn and St. Pancras S), Mr. Dennis Skinner (Bolsover). Mrs. Millie Miller (Ilford N), Mr. Neil Kinnock (Bedwellty), Mr. Harry Selby (Govan), Mr. John Mendelson (Penistone), Mr. William Wilson (Coventry SE), Mr. Tom Swain (Derbyshire NE), Mr. Tom Litterick (Selly Oak), Mr. James Lamond (Oldham E).

Mr. Richard Kelley (Don Valley), Mr. Dan Jones (Burnley), Mr. Alec Jones (Rhondda), Mr. Eddie Loyden (Garston), Mr. Gwilym Roberts (Cannock), Mr. Ian Mikardo (Bethnal Green and Bow).

The names included three Government Ministers: Mr. Michael Foot, Leader of the House, Mr. Stan Orme, Minister for Social Security, and Mr. Anthony Wedgwood Benn, Energy Secretary.

Cabinet split on approach to Lords

By Richard Evans, Lobby Editor

THE GOVERNMENT yesterday intensified its tactic of brinkmanship over the Aircraft and Shipbuilding Industries Bill in order to bring further pressure on the Lords to climb down over the exclusion of ship repairers.

The Cabinet meets to-day to decide whether to accept the altered legislation or to drop the whole Bill and reintroduce it next session in its entirety under the Parliament Act.

There were clear signs last night that a sharp split has developed within the Cabinet over tactics, with Left-wing members urging a "hawkish" policy rather than bowing to the Lords and moderates advocating that the major part of the legislation should reach the Statute Book at the earliest opportunity.

If the Bill is to go through this session — which must end by Tuesday — either the Government or the Lords will have to climb down to avoid the threatened constitutional clash. Some Ministers are anxious that the Government should not suffer a further humiliation following its forced acceptance of the badly mauled Dock Work Regulation Bill.

The assumption at Westminster had been that the Government would accept reluctantly the Lords' defiant determination to exclude the 12 ship repair companies in order to gain the remainder of the legislation by the end of the session.

Warning

But some Minsters, including Mr. Eric Varley, Industry Secretary, seemed determined to force the Lords to ponder the consequences of their action for a few more days in the hope that they will climb down or can be blamed for stopping the Bill.

An attempt was made by the Government yesterday to reach a compromise with the Lords by offering to exclude four ship repairing companies from the provisions of the Bill, including Bristol Channel Ship Repairers, but Tory peers flatly refused to do a deal.

The Bill returns to the Commons again to-day for a three-hour debate under the guillotine procedure. If it is not accepted in amended form, it will return to the Lords on Monday with a warning about the employment and investment consequences for the industries if the legislation does not reach the statute book.

If, as expected, the Lords continue to defy the Government and a decision is taken to lose the Bill this session, it could be re-introduced in the next session after December 2, the date it had its second reading a year ago.

Assurance

In a Treasury minute published yesterday, the Government made it clear that Ministers would compare the costs of closing down Govan Shipbuilders on Clydeside and Cammell Laird on Merseyside before giving further direct State aid.

The assurance was given by the Treasury in a reply to the Public Accounts Committee which had expressed reservations about further aid on top of the £50m. to £60m. pledged to Govan and the £32m. to Cammell Laird.

In the committee's report, published in August, MPs feared that with the world recession in shipbuilding assstance to Govan and Cammell Laird could be open-ended. They urged the Government to make an early assessment of whether the taxpayer would be better off by continuing to bail out the companies or by meeting the social cost of shutting the yards.

In the Treasury minute, the Government states that "if any further direct financial support were being contemplated either for Govan or for Cammell Laird, the departments would compare the cost of that support with the resource costs of closure and with social costs so far as quantifiable."

Treasury Minute on the Reports from the Committee of Public Accounts, Session 1975-76; SO; 35p.

MPs reverse tied cottage Bill changes

By Justin Long, Parliamentary Correspondent

THE GOVERNMENT again last night resorted to the guillotine in the Commons to chop major Lords amendments—this time from the Bill designed to abolish the agricultural tied cottage.

Among important changes in the Bill made by peers was the deletion from the original provisions of dairy, livestock and grazing farming, and forestry.

Ministers declared that in making these amendments the Lords had meant to wreck the Bill, leaving little more than arable farming to come within its scope. These so-called "wrecking amendments" were removed by Government majorities of 39 (292-253) and 42 (290-248).

Crosland regrets Geneva differences over date

BY JOHN HUNT

MR. ANTHONY CROSLAND, Foreign Secretary, told the Commons yesterday that he would be ready to go to Geneva if this would save the conference on Rhodesia from collapsing.

He stressed that he was not predicting that the conference would collapse but if it did "it would be because of mistrust, scepticism and hostility borne of 11 years of illegal independence."

Mr. Crosland, who was answering questions on foreign affairs, declined to make a definitive statement on the negotiations at their present delicate stage. He said it had been a great disappointment that a difference of three months over the possible independence date was proving such a stumbling block.

But he agreed with a Conservative MP, Mr. Christopher Brocklebank-Fowler (Norfolk NW) who suggested that the Soviet Union envisaged establishing a "Marxist revolutionary regime" in Rhodesia "with all the risks to life and property which that entailed."

Mr. Crosland replied "I don't doubt for a moment that this is the objective of Soviet policy."

He also agreed with Mr. Neil Marten (Con., Banbury) that there was acute danger that the longer Mr. Ian Smith remained in power the greater the danger would be of Communism spreading in Africa.

He was less forthcoming, however, on a suggestion that the British Government should take full control in Rhodesia during the transitional period before democratic elections established a popular regime.

Mr. Crosland said that if this meant we should send in troops and resume a full colonial role, then it was something that could not be accepted by the Government. In later exchanges, he did not rule out British participation in some form of international peace-keeping force.

Mr. Andrew Faulds (Lab. Warley E.) urged that Britain should accept the responsibility of a colonial territory and provide a Governor-General during the interim period backed up by a peace-keeping force drawn from various Commonwealth countries.

Mr. Crosland told him that the extent of British involvement was something which would have to be decided in the light of whatever agreement was reached. He had already ruled out the despatch of British Government forces.

"As to a Commonwealth peace-keeping force, that is something I will bear in mind. But it would take an immense amount of time and organisation and a great amount of negotiation to keep it there," he added.

Mr. Reginald Maudling, shadow Foreign Secretary, told him that the Opposition was deeply concerned about the lack of any breakthrough at the talks. He found it difficult to understand why the conference chairman, Mr. Ivor Richard, had decided to tackle the date of independence first of all.

"It seems unwise to set a date to arrive somewhere before you know the right road you are going to take to get there," he commented.

The Foreign Secretary replied that this had been a tactical matter and he had no intention of criticising Mr. Richard. It had seemed that the date would be an easier matter to deal with first rather than the question of order and the armed forces.

Government suffers more Lords defeats

THE Government was defeated in the Lords yesterday on a Tory move to protect consultants and other NHS employees from the effects of the Bill to phase out private pay beds.

Opposition peers voted 145 to 67 — a majority against the Government of 78 — to ensure that none of the staff should suffer any "detriment" because of the provisions of the Health Services Bill.

The Bill, last of the five crucial measures guillotined by the Government still under Lords scrutiny, was starting its report stage, already substantially watered down by Opposition peers during its committee stage.

For the Conservatives, Baroness Young had said the Government was "very optimistic" in its view that nobody would suffer in the withdrawal of the first 1,000 beds. Could the same be said of the other 3,400 beds due to be phased out later? she asked.

Without an absolute guarantee that the phased-out beds would be filled with other patients, it seemed there would be fewer beds, with employees losing either jobs or money.

For the Government, Lord Wells-Pestell said that the term "detriment" was almost meaningless. The Secretary of State could be challenged in court by any individual NHS employee who thought he could perceive some degree of detriment.

"When two-thirds of the hospitals have five or less pay beds, it is going to make no impact at all if you removed them."

Earlier, the Government had been defeated on a Tory move to increase from five to seven the size of the Health Services Board which will be responsible for the second stage of phasing-out pay beds. Voting was 144 to 69, a majority against the Government of 75.

The Government suffered a third defeat on a Tory proposal that any private beds taken over as a result of the Bill would have to be made available for use by resident NHS patients. Voting was 122 to 74, a majority against the Government of 48.

Rate support

A STATEMENT on the rate support grant for next year will be made as soon as the negotiations are completed on November 22, Environment Secretary Mr. Peter Shore said in a Commons written reply yesterday.

Sir Harold protests over pairing

By Richard Evans, Lobby Editor

SIR HAROLD WILSON accused the Conservative Party last night of deliberately insulting the international Jewish community by their rigid Commons pairing policy.

The former Prime Minister issued a statement protesting over the refusal of the Tory Whips to provide a pair so that he could go to Geneva last night to receive a gold medal at the World Jewish Congress.

He declared that Government whips had tried to persuade the Opposition to reverse their decision but there had been no change of attitude.

"I regard it as a deliberate insult to a widely respected world organisation, who will have great difficulty comprehending the working of the British Conservative mind," Sir Harold declared.

Conservative whips pointed out that their attitude was governed by a last-minute change of Government business. It would have been no problem to pair Sir Harold for the Aircraft and Shipbuilding Industries Bill which was originally scheduled for yesterday but no pair was available following the change to the Rent (Agriculture) Bill.

Electricity bill aid proposed by Benn

THE GOVERNMENT is to pay 25 per cent. of the electricity bill for householders on supplementary benefit or family income supplement for one three-month period this winter under a £25m. electricity discount scheme, Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday.

The scheme would apply only to bills rendered by electricity Boards after meter readings made between February 1 and April 30, he added.

Mr. Benn said the practical details of the scheme were being worked out between his officials, electricity Boards, the Post Office Corporation and representatives of trade unions.

It was planned that after February 1, the householder should take the account to the Post Office, when collecting his supplementary benefit or family income supplementary allowance and receive a discount voucher.

The discount would apply only to electricity charges, including standing charges, in the one quarter. It would not apply to arrears or other items on the bill such as hire purchase.

Arrangements would be made for householders with prepayment meters to get a document to enable them to claim a discount in cash from the Post Office.

● The scheme was unfair and ill-prepared, the National Consumer Council said last night. Among its drawbacks was the fact that threequarters of pensioners and those on supplementary benefit did not use electricity as their main form of heating.

The council argued that the scheme would exaggerate distinctions between those receiving the benefits and those who did not receive them or were just above the qualifying income limits. Administration costs, it was claimed, would be high.

Gas industry entry rights

NEW RIGHTS for the gas industry to enable it to protect the public from dangerous gas appliances and installations will come into force on March 7, 1977 it was disclosed in a Commons written reply yesterday.

Dr. John Cunningham, Energy Under Secretary, said that the Gas Safety (Rights of Entry) Regulations 1976, would give the gas industry the right to enter buildings and inspect and cut off gas appliances and installations which could be dangerous, in the last resort without the householder's consent.

Written Answers

EMPLOYMENT

Mr. Stanley Newens (Lab. Co., Harlow). How many school-leavers are currently unemployed in the U.K.?

Mr. John Golding, Under-Secretary. There were 82,660 school-leavers registered as unemployed in the U.K. on October 14.

★

Mr. John Ovenden (Lab. Gravesend). How many working days have been lost so far this year due to industrial disputes, and how this compares with the same period in each of the previous five years?

Mr. Harold Walker, Minister of State. The provisional estimate up to end-September this year is 2.5 million. Figures for the same period in earlier years are: 5.3m. (1975); 10.9m. (1974); 5.5m. (1973); 22.3m. (1972); and 12.2m. (1971).

INDUSTRY

Mr. Michael Grylls (Con., North West Surrey). When does the National Enterprise Board expect the £100m. loan, of which £30m. was by means of a direction under Section 3 of the Industry Act 1975, to be taken up by British Leyland?

Mr. Leslie Huckfield, Under-Secretary. The loan will be taken up in stages. The timing of each stage is a matter to be agreed between NEB and British Leyland in the light of BL's financing needs.

★

Mr. Ronald Atkins (Lab., Preston North). What action is being taken to ensure that the railway equipment manufacturing industry in the U.K. will meet future demands for expanding rail transport abroad?

Mr. Leslie Huckfield: I am advised that the railway equipment industry is confident that existing and planned capacity is adequate to meet forecast increases in future demands. The British Railway Industry Export Group, representing both the public and private sectors, has been set up in order to help in identifying export opportunities and in co-ordinating the efforts of the industry in seeking and obtaining overseas contracts. My Department will, of course, take a continuing interest in this field.

PRICES

Mr. Peter Bottomley (C. Greenwich, Woolwich West). To what extent average family expenditure has increase as a result of the increase of interest rates and mortgage rates in the past six months?

Mr. Robert Maclennan, Under-Secretary. Despite the increase in minimum lending rate since May, mortgage and hire purchase interest rates have held generally steady. Over the past six months, therefore, interest rates have had no significant impact on family expenditure.

★

Mr. David Price (C. Eastleigh). How much have prices increased in the U.K. since February 1974, and what have been the average rates of increase in OECD countries since that date?

Mr. Robert Maclennan. By August 1976, the latest month for which comparable data are available, prices had risen by 55.9 per cent. in the U.K. and by an average of 27.8 per cent. in OECD countries.

★

Mr. Tim Renton (C., Mid-Sussex). What is the most recent figures for the year-on-year increase of wholesale prices?

Mr. Roy Hattersley, Secretary of State. The Wholesale Price Index for the home sales of all manufactured products rose 16½ per cent. on provisional figures in the 12 months to October, 1976.

ENERGY

Mr. Albert Roberts (Lab., Normanton). Will the Secretary of State for Energy give a general direction to the chairman of the National Coal Board that all steps must be taken to prevent the abuse of allowances for travel by employees in the industry?

Mr. Alex Eadie, Under-Secretary. No, sir. This is a matter of day-to-day administration by the Board of agreements reached under the industry's negotiating procedures and of an arbitration award.

Advertising and ...

Agency switch for Mirror, Guardian

TWO national newspapers have changed their advertising agencies this week: The Daily Mirror has moved its account, which is set to spend almost £1m. next year, from OBM to Young and Rubicam, while The Guardian, which has a budget of nearer £100,000, is going from an agency French Gold Abbott to a consultancy, The Creative Business.

So far this year the Mirror has spent £850,000 on television alone in its battle to stave off the attacks on its circulation by The Sun. The latest circulation figures for the period April to September show The Sun at 3,738,656 copies daily, just 133,397 behind the Mirror. Although the gap is narrowing all the time the Mirror believes that just recently it has halted the drift.

Young and Rubicam won the business in competition with McCann Erickson, Boase Massimi, Benton and Bowles, and Davidson Pearce. It is a good gain for the agency which, according to MEAL, was the only one of the top ten to show a fall in billings in the first nine months of 1976.

The situation with The Guardian is quite different. There are no plans for an immediate advertising campaign and David Bernstein and The Creative Business have been recruited principally to be on call whenever The Guardian feels it needs creative help on anything from presentations, to direct mail shots, to selective advertising. With the relatively limited sums of money involved, and the variety of the work, a creative consultancy seems a better bet than a full agency.

The latest circulation figures gave The Guardian sales of 308,999, just ahead of The Times. Since then it has increased its price to 12p, but the fall in sales has been less than anticipated. David Bernstein is no stranger to The Guardian: he helped to relaunch it many years ago when he was with Garland-Compton.

A.T.

● THE total net advertisement revenue of the Independent Television Companies for October, after deductions of agency commissions and all discounts, was £26,899,252.

● STAR speaker at The Marketing Society's anual conference in the Purcell Room on Tuesday is Prices Secretary Roy Hattersley. The theme is "Let's Go To Market."

● MAKRO, the wholesale chain of giant cash and carry stores with a turnover of over £100m. a year from six centres, gained 50 new retail stockists of its Aro "own label" brand after sponsoring the Millwall-Hereford football match.

● BE RO Flour from RHM, brand leader in the north of England and Scotland, is back on television with a heavyweight campaign featuring Morecambe and Wise and Frankie Howard.

● Wells O'Brien has been appointed to handle the advertising, worth £100,000, for the European and Middle East divisions of Inter-Continental Hotels.

Cornering consumers

RETAIL Audits, the research company, is to promote a new service in 1977. It is an extension of its Trade Studies subsidiary, and basically puts clients in contact with minority groups quickly and cheaply.

The very simple idea is that those retailers who already provide Trade Studies with information about products on behalf of clients will co-operate in asking any customer who purchases a particular brand whether they would mind being approached for information about their attitudes to the brand. In this way users are pin-pointed and a research company does not have to question many non-users before getting a sufficient sample of product consumers.

Already eighteen surveys have been carried out by Trade Studies. A cigarette company and a paint manufacturer have been encouraged enough to use the service twice. Among the minority groups that have been isolated through the retailers are foot pad purchasers and tobacco pouch users.

Roger Wright, managing director of Retail Audits, reckons that a 2,000 sample of known users can be located by retailers, who are paid for their efforts, for £2,000 and then the cost of interviewing them will add on a further £7,000 or so. The research is reputed to be half the price of interviewing a large random sample which has to be winnowed down to find sufficient consumers of the brand or product field under survey. It also is much more comprehensive than buying questions on an omnibus survey.

A.T.

The Marketing Scene

CDP faces union challenge

BY ANTONY THORNCROFT

THE long expected confrontation between advertising agencies and the unions has arrived. SLADE has told Collett Dickenson Pearce that unless a start is made on the agency staff joining the union by December 2 its print advertising would be "blacked."

Frank Lowe, managing director at CDP, says he has no objection to his staff joining a union, and SLADE officials are meeting with the creative department next Tuesday. But all the signs are that few of the art directors and copywriters involved will voluntarily wish to join SLADE.

Until now few of the 13,000 people employed in the Institute Practitioner of Advertising agencies have belonged to a union. In the summer a labour dispute arose in which certain advertisements failed to appear in the Press. The print unions had blacked them because they had been prepared by non-union workers in production houses.

Frank Lowe

As a result most production houses encouraged their staff to join a union, and agencies made sure that they placed art work with "approved" companies. The problem was that two rival unions were involved, SLADE and the National Graphical Association, and the TUC moved in to try and solve what was principally an inter-union tussle for new members.

Now SLADE is aiming at the heart of agency personnel and has chosen CDP as a test because it has a very high proportion of print advertising for a top ten agency—roughly 45 per cent. of its billings. Other major agencies have agreed to rally round, and handle CDP's production work if the agency is blacked.

SLADE is also writing to CDP's clients suggesting they should place their advertising elsewhere, but this pressure is hardly likely to succeed. There is a feeling in the advertising agency world that the industry had better hang together to meet the challenge rather than face the prospect of the agencies being picked off one by one.

An added complication is the fact that if SLADE was to sign up the CDP workforce the other print unions, and especially the NGA, would be none too pleased. Frank Lowe is having negotiations with representatives of the print committee of the TUC, and with the IPA in an attempt to defuse what could be a potentially explosive situation.

John Hughes quits

JOHN Hughes and Malcolm Thomas are leaving Brownes, the agency bought by Geers Gross in 1974. Malcolm Thomas had been with Brownes for 18 years and is retiring early. John Hughes, who was brought in from Bates as managing director just over a year ago, has left to pursue his own interests.

To fill the gap Tim Myers, a Geers Gross director, is moving over as chief executive. His place at the main agency will be taken by Keith Belben, who joins Geers Gross in January from FGA. Brownes has billings of around £3m. Its main accounts are Lombard Bank, Nicholas Products, Daily Express, Courtaulds, and some Electricity Boards.

More news from Geers Gross is the gain of another part-work launch from Phoebus, the British Printing subsidiary. The part-work will appear in 1977 with £350,000 of advertising support.

An alternative to classified ads

BY PHILIP KLEINMAN

PROVINCIAL newspapers have weathered the economic storms better than Fleet Street, thanks largely to classified advertising. Now a threat to their near-monopoly of such advertising, and hence to their future profits, is looming from an unexpected direction.

Bill Gregory, the research man who made his reputation as a consultant to newspapers—it was his advice which helped persuade the Daily Mail to go tabloid—is about to launch a scheme designed to take away at least some of their bread and butter.

The scheme, called Computerfile, is starting experimentally in the East Hampshire-West Sussex area and will offer a method of buying and selling houses which cuts out both estate agents and newspaper advertising. Gregory is recruiting a network of "community representatives," each responsible for his or her own small locality.

The idea is that the rep. feeds details of properties and house-hunters in that locality to a central computer, which in turn supplies reps with classified information, according to need, covering the whole area.

The vendor, if he sells his property through Computerfile, will pay a flat fee of £180, which Gregory reckons will in most cases be £150 to £200 less than would have to be paid to an estate agent. The scheme will become operative in the New Year, and if the experiment proves a success Gregory's plan is to extend it, with financial backing from a group of individuals, to other areas of the country.

But he also talks of extending it to other types of transaction, for example the trade in second-hand cars. Eventually he envisages that his community representatives will be equipped with video display units enabling them to call up information from the computer instantaneously.

A pipe dream? Perhaps. But Portsmouth and Sunderland Newspapers, which controls the local press in the test area, takes the prospect of competition from Computerfile sufficiently seriously to have refused to accept the ads with which Gregory hoped to tell its readers about the new scheme.

Instead Gregory intends to launch his own monthly magazine devoted to property and property-related avertising, as well as to publicising Computerfile. Copies will be supplied to hotels, shops, hairdressers salons and other ublic places in the area.

Gregory admits that his scheme presents a challenge to newspapers as they are. But he insists that, if newspaper managements were thinking ahead as they ought to be doing, they would realise that their best course was to go in for computerised information systems rather than fight them.

In the end he believes that, whether it happens through Computerfile, the Post Office's Viewdata project or some other enterprise, electronic media are going to move into classified advertising in as big a way as they have moved into news and entertainment.

Commercial Radio is three years old

Poised for a yet more profitable future

BY ANTONY THORNCROFT, MARKETING EDITOR

IT IS just over three years since commercial radio arrived on the mainland of the U.K. Now the original network of 19 stations is on the air and prospering. Already getting on for 70 per cent. of the population can get a local commercial station and the industry is hopeful that when the Annan Committee reports next year it will give the go ahead for more stations, although few think the original proposal for around 60 is now on the cards.

But since the stations are "commercial" it is impossible to assess their success without conecentrating on their advertising revenue. In 1976 commercial radio in the U.K. is likely to absorb £15.5m. of advertiser's money as against £8.5m. last year This almost doubling of income seems to confirm that radio has re-lived the experiences of commercial television—a dire start, with doubts about the survival of some stations, followed by a period of mounting profitability.

The encouraging feature is the turnaround of the "problem" stations. This week London Broadcasting and Metro, in Newcastle, the two stations with perhaps the toughest debuts, announced their latest audience figures and they are very good. LBC reports a 17 per cent. gain in listening since the spring, with 2m. people a week tuning in at some time. Metro has done even better, boosting its impact by 40 per cent. so that around 45 per cent. of Tynesiders now listen each week.

More to the point even before the salesmen start to interest advertisers in this enlarged audience there are signs of a financial improvement. October was a record sales month for LBC, with revenue in excess of £100,000, and the station is confident that in its current financial year income will exceed £1m., putting it very close to profitability. Its difficulty is the large staff it employs, over a hundred strong, in order to provide (at a price) a news service to the other commercial stations. The best thing that could happen to LBC would be an Annan recommendation for more local stations — and soon.

Two other stations also released listening figures this week: Capital in London and Clyde in Glasgow. These are the largest and most profitable stations in the network and their results were equally encouraging. Capital has only marginally increased the number of people who tune in—it is now 4.1m. a week—but they listen 1.5m. hours more a week, for a total of 43.7m. hours. Capital claims that it captures 21 per cent. of all the hours listened to a radio in London, which means that it is roughly on a par with BBC Radio's One, Two and Four.

Cormne Cockrell and Trevor Humphries

Mr. Whitney, managing director of Capital Radio, with Sunday star, Gerald Harper.

In some cases Capital grabs the largest share of the radio audience—Gerald Harper around Sunday lunch time, for example, has improved his ratings by 26 per cent., mainly at the expense of Family Favourites, and now has a cumulative audience of 1,305,000. Not surprisingly the BBC is making a play to steal him from Capital when his contract expires in the near future.

Capital has now been on the air for three years and is trading very nicely. It's revenue in its last financial year, ending in October, was over £3.5m., and it is aiming for £4.5m. in 1976-77. Yet, like all the commercial radio stations, it feels it has still to make the expected inroads into packaged goods advertising which for so long dominated the television screens. The biggest advertised brand on Capital is Sapphire Carpets, which spends £50,000. It is a very good account because it only uses radio and has done well, but Capital would like the big grocery lines to be advertised at this level.

There are constant breakthroughs—Cadburys is currently advertising—but there remains prejudice against radio because it is not yet national, and advertising agencies, unfavourably disposed towards the small budgets involved, rarely give the medium their best creative ideas. The main categories remain retailers and records. It is changing. Nestlé is a big user of radio, and Nabisco claims a 60 per cent. rise in sales for its Ritz biscuits after a solus radio campaign on Radio Clyde. But the great opportunity for radio is coming not from its own virtues but from the vices of its main competitor, television.

This autumn the increase in television costs, and the fall in the ratings for ITV, mean that advertisers can pay 40 per cent. more for their TV spots. To reach housewives often works out at 200p per 1,000. The commercial radio stations on the other hand are not raising their prices in line with their extra audiences, and Capital is currently offering 17p a 1,000 for adults and 44p for housewives, a drop of 3p as against a year ago.

Clyde, too, which this week announced that it had a larger slice of radio listening in Glasgow, 50.1 per cent., than all the BBC stations combined, is keeping its rates steady, even though the gain in audience had reduced the cost to advertisers from 20.5p to 17p per 1,000 on its packages.

Clyde remains the most successful of the commercial radio stations, with a gross revenue in October of £180,000 and the probability of hitting £1.7m. in its current financial year. Its success is reflected in the weight of its national advertising, two thirds of its business, as companies use radio instead of, or to support, television north of the border.

It is noticeable that the next most successful commercial station, Swansea, is also outside of England and serving a mainly working class neighbourhood. But it gets much of its revenue from local advertisers. Swansea is a small station, so is Radio Orwell, serving Ipswich, but both are doing very well.

Some of the most recent stations have yet to get the formula right but all the signs are that the popular demand for commercial radio, and the increasingly sympathetic response of advertisers, enable the stations that make mistakes in the early months to transform themselves, and no advertising medium will have shown the same rate of growth as radio in 1976.

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THURSDAY, NOVEMBER 18, 1976

Japan should buy more

THE LONG-RUNNING argument between the West European countries and Tokyo over Japanese trade tactics has moved into a dangerous phase with this week's "ultimatum" from the EEC. The Brussels Commission is now taking the line that it cannot answer for any action that might be decided at the Nine's summit in The Hague at the end of this month unless the Japanese take immediate steps to increase their imports and moderate their exports. If not, Brussels appears to be saying, political pressure on the Heads of Government may be such that they will be forced to retaliate—either with import controls or with increased subsidies for European industry or with a combination of both.

Trade war

The hope must be that retaliation can be avoided. A trade war between the EEC and Japan would be in nobody's interest. With increasing evidence that the world recovery is faltering, there is an even greater danger that import controls could lead to a chain reaction of protectionist measures. There is every sign that Tokyo is fully aware of this, and wants to defuse the current dispute. Nevertheless, the Japanese are refusing to yield to pressure from Brussels and are making it clear that significant concessions should not be expected before the EEC summit on November 29 and 30.

The Japanese reaction is in many ways understandable. First of all, Tokyo clearly resents being threatened when it still disputes many of the charges laid by the Europeans. The Japanese strongly deny that they are trying to undermine European industry and ascribe their export successes simply to greater efficiency and more competitive prices. Secondly, they do not want to be seen to yield openly to EEC pressure for fear of encouraging the U.S. to adopt similar tactics. If Tokyo does take serious action to discourage exports it is most likely to be done unobtrusively in the New Year, rather than in response to a public ultimatum in the next two weeks.

But the fact remains that the Japanese will have to show some greater degree of public sympathy for the difficulties they are creating in Europe if the present campaign against them is to subside. Whatever the motives of Japanese companies, they are seriously disrupting a number of sensitive areas such as the car and colour television industries in Britain and shipbuilding throughout the EEC. Outside the U.K., it is shipbuilding that is causing the greatest anxiety.

Where there is evidence of dumping, as the Commission believes there is on ball-bearings, the problem can probably be solved by anti-dumping action. It is much more difficult in cases like the motor industry, where the Japanese have a genuine competitive advantage. Import controls are inflationary and would not solve the British motor industry's problems. The long-term answer to Japanese competition must be to make the home industry more competitive. It might also help if the Japanese assembled more of their products in export markets, rather than in Japan, thus stimulating investment and employment in Europe.

Concrete proof

But the *overriding priority* is for Japan to help to close the gap by opening up its own market to European exports. Whether or not Tokyo accepts Western accusations that it is protecting its market with a massive array of non-tariff barriers, there is no escaping the fact that the present imbalance is seriously jeopardising the international trading climate as well as Japanese-EEC relations. It is perfectly understandable that Western Governments should be pressing for some more concrete proof of Japanese willingness to act, going beyond a simple expression of good intentions.

A very sluggish economy

YESTERDAY'S BUNCH of economic indicators is not particularly informative. First, there is another estimate of consumers' expenditure in the third quarter—slightly lower than the first estimate but about ¾ per cent. up on the second quarter. Most of the increase in real terms was in goods covered by the statistics of retail sales, which rose in the third quarter through the combined effect of summer sales, income-tax cuts and a tourist shopping spree. But the October figure, published earlier this week, suggests that this effect soon wore off: although sales may be buoyed up for a *few* months by special factors (tourist sales, winter sales, anticipation of indirect tax increases) the probability is that prices will rise considerably faster than earnings in the first half of next year and that consumption will be correspondingly depressed.

This has some bearing on the second main indicator published yesterday, an estimate of GDP for the third quarter. The level of GDP can be arrived at by measuring income, output and expenditure: the three totals should theoretically agree but in practice are so far from doing so that they not infrequently move in opposite directions. The Central Statistical Office claims that the output-based estimate, the one published yesterday, is usually regarded as the most reliable.

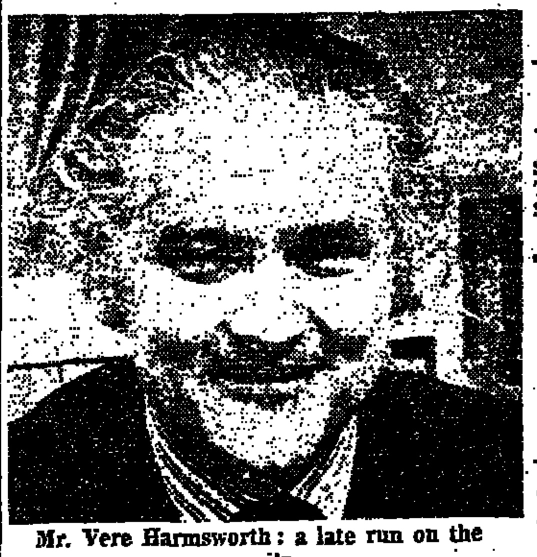
No figures

Since, however, it is largely based on the index of industrial production, which the CSO itself admits to be something less than perfectly reliable at the moment, this is not a very large claim to make. The estimate is that GDP rose by nearly ½ per cent. between the second and third quarters, but that this was mainly because of an increase in activity in the distributive trades. That, in turn, was probably due in part to the temporary improvement in personal consumption. The latest indicators taken together suggest that the economy may be moving forward, but at a very sluggish pace—hence the rise in unemployment.

The next unemployment figures were due to be published next week, but it now seems very likely that they will not be. Members of the Civil and Public Services Association working in the Department of Employment are taking industrial action in protest against staff cuts, as a result of which some statistics will not become available. It may seem a little muddle-headed to protest against unemployment by suppressing the figures which show how *high it is,* but *that is how* matters stand. And it is not only the unemployment figures which are likely to be affected. The index of average earnings for September, which should have been published yesterday with the index of average wage rates, is "not available." Since it is the tug between a slower growth of basic wages and an increase in overtime which will determine earnings and purchasing power, the loss of this figure is more annoying than that of, say, third-quarter GDP would have been.

Settlements

The index of basic wage rates, though more up-to-date even in normal times than that of earnings, is considerably less interesting, and this time it shows no change whatsoever: no major pay settlements came into force last month. The fact that the increase on the same month of last year fell quite sharply between September and October is due to the same successful efforts made last year to anticipate the £6 limit and has nothing to do with current experience: the majority of pay settlements for manual workers, with which this series is concerned, comes into force between November and April. The Department reports that one-sixth of the workers covered by these statistics have now settled within the guidelines of Stage Two. The other side of this coin, of course, is that there are five-sixths still to settle, while the rate of inflation looks unlikely to come down for some time yet.



Mr. Vere Harmsworth: a late run on the rails.

THE "QUALITIES" LEAGUE TABLE

	Circulations (Jan.-June) Annual index 1970	1971	1972	1973	1974	1975	1976	6-year span 1970	1976	Difference
Sunday Times	100	98	99	103	103	95	94	1,434,142	1,374,759	— 59,383
The Observer	100	94	94	94	98	90	80	847,572	677,504	— 170,068
Sunday Telegraph	100	99	100	100	103	100	97	756,406	733,225	— 23,181
Group	100	97	98	100	102	95	91	3,068,120	2,785,488	— 282,632

Cover prices and revenue

	Circulation Jan.-June '75	Jan.-June '76	Change (%)	Av. Cover Price Jan.-June '75 p	Jan.-June '76 p	Change (%)	Gross daily revenue Jan.-June '75 £	Jan.-June '76 £	Change (%)
Sunday Times	1,395,723	1,374,759	— 1.5	14.5	17.5	+ 20.7	202,380	240,583	+ 18.9
The Observer	760,750	677,504	— 10.9	11.7	14.3	+ 22.2	89,008	96,883	+ 8.8
Sunday Telegraph	756,687	733,225	— 3.0	9.3	12.0	+ 29.0	70,372	87,987	+ 25.0

Mr. Rupert Murdoch: persuaded to regain interest.

The Sundays' battleground

BY ANTONY THORNCROFT

ALTHOUGH Mr. Vere Harmsworth's Associated Newspapers is making a late run on the rails, Mr. Rupert Murdoch's News International group must still be the favourite to win *The Observer*. The other contestants carried considerable handicaps—Sir James Goldsmith palpably lacked experience of the newspaper industry while in the event the Hong Kong challenge, headed by Miss Sally Aw Sian never arrived at the starting post.

By last week Associated Newspapers was the only real challenger left, but then the Observer Trust went back to Mr. Murdoch, who was always its first choice and discovered that he could be persuaded to regain interest in the newspaper.

Although Associated Newspapers has not yet given up, Mr. Murdoch returned to London this week for more negotiations, and a final decision is expected any day. There is still the possibility of a bid from the blue from some unconsidered millionaire. Mr. Murdoch's views on the future of *The Observer* are more closely in line with those of the Trustees, who are not enthusiastic about Mr. Vere Harmsworth's plans to move the paper slightly down market and pronouncedly more to the right politically in an attempt to win readers from the profitable, but declining, *Sunday Express*. He also has the support of the trade unions.

Mr. Murdoch has very specific ideas on what he would do if he acquired *The Observer*. For a start he reckons it needs £1.5m. of extra cash in year one, and another £1m. in the second year. The money would split three ways—a third to meet current losses; a third to meet the expected rise in newsprint costs next year; and a third to strengthen the staff.

He would aim *The Observer* directly at the upper end of *The Sunday Times* readership and attempt to put on sales not so much by advertising as by buying big names and improving the editorial content of the paper. He does not see the need to change its political stance which he describes as "agonising" rather than left wing.

The only factor which might stifle a Murdoch take over, if The Observer Trust agrees, is a reference to the Monopolies Commission. Murdoch would only assume control, he says, if he were certain there would be no time-wasting investigation by the Commission, taking months during which time the paper's losses would become intolerable.

Rupert Murdoch has the form to succeed. He acquired *The Sun* when it was all but moribund and brought it to life. The latest circulation figures show it with *The Sun* selling 3,738,656 copies a day, not much more than 100,000 behind its previous owner IPC's long lasting best seller, the *Daily Mirror*. He moved into London Weekend Television when the company seemed on the point of collapse barely a year after it came into existence, and has managed, despite recent setbacks, to make it profitable. The challenge of attempting a hat trick with *The Observer must be all but irresistible.*

Underemployed presses

Although Mr. Murdoch's activities in the U.K. are concentrated on newspapers with mass appeal—he also owns the *News of the World*—in Australia he has the quality newspaper *The Australian*. He would also secure with *The Observer* some underemployed printing presses which could conveniently fit in with his known plans for a tabloid evening newspaper in London which might evolve into Britain's first 24-hour national daily. They would also be useful if *The Sun's* circulation continues to grow at its current rate; its present capacity can only cope with another 500,000 copies a day.

But *The Observer* could prove his toughest challenge. For a start its journalists are very independently minded and have traditionally had a say in the running of the paper; they were fully consulted over the appointment a year ago of the editor, Mr. Donald Trelford. *The Observer*, owned by a Trust, has always seen itself as one of the world's great newspapers, a role it reckons it deserves to continue after almost two hundred years of publication. Any new owner will have to tread with more editorial delicacy than be would in most other national newspapers.

Then there are the immediate financial problems facing *The Observer*. Although it claims to be operating profitably on a week-to-week basis, its competitors believe that its annual loss must be in the region of £500,000. *The Observer* says it needs the infusion of new money to meet pressing immediate problems—financing the redundancies, which have reduced the staff by around a third in the last fifteen months, and cash to meet the rising cost of newsprint which after price increases in May and August will probably go up again in the New Year because of the fall in sterling, adding all told £500,000 plus to the budgeted loss.

In the longer term *The Observer* needs solid financial resources to modernise its plant, and to be able to market itself more energetically against its keen competitors *The Sunday Times* and the *Sunday Telegraph*.

This is perhaps the key question—is there room for three quality Sunday newspapers? Looking at the circulation figures for January-June this year compared with the figures in the same period of 1970 there is a fall for the three qualities of 282,632 to a combined total of 2,785,488. *The Observer* alone contributed 170,068 to that decline. Its January-June circulation this year was 677,504 against 1,374,759 sales for *The Sunday Times* and 733,225 for the *Sunday Telegraph*.

A more basic way of looking at the problem is to give the 1970 sales an index of 100. By 1976 the *Sunday Telegraph* was down to 97, *The Sunday Times* to 94, and *The Observer* to 80. As a sector the Sunday qualities have performed better than the popular Sundays and the London evenings but less well than the quality dailies and the popular dailies.

However, *The Observer* has fared particularly badly.

It has also failed to make good the circulation fall by adequately increasing its cover price. This is particularly noticeable when compared with the *Sunday Telegraph* which in the first half of 1976 raised its price 29 per cent. above a year earlier, suffered a 3 per cent. drop in circulation, and saw its revenue improve by 25 per cent. For *The Observer* a 22.2 per cent. rise was accompanied by a 10.9 per cent. drop in sales with the result that revenue was only 8.8 per cent. higher.

But sales are less than half the story. All the quality Sundays are heavily dependent on advertising for the bulk of their income. At one time 80 per cent. of *The Sunday Times* cash came from advertising, and although the cover price has risen by over 20 per cent. in a year advertising still accounts for more than 70 per cent. of income, if you include the colour supplement which is designed to be fully financed by advertising money. So the prospects for *The Observer* are intimately tied up with the prospects for advertising in 1977.

At the moment the situation is fairly encouraging. The advertising industry is still experiencing a boom, and the Press, which is always the last to feel the upturn, is probably now somewhere near its peak. In volume terms *The Sunday Times* and the *Sunday Telegraph* carried almost 10 per cent. more advertisements in the first ten months of 1976 than in the corresponding period of 1975. *The Observer* has managed a gain of nearer 3 per cent.

Printing deal

However the colour supplements are not doing as well as the parent newspapers. In the year until October all three newspapers were carrying a smaller volume of advertisements in their colour magazines than in the same period in 1975. Although in October *The Sunday Times* and the *Sunday Telegraph* both managed a 5 per cent. gain on October 1975 *The Observer* was still 3 per cent. lower. Rather ironically *The Observer* claims that it makes a profit from its colour supplement but this is explained by its rather obscure printing deal with Purnells, which has a 50 per cent. stake in *The Observer* magazine, and the fact that it prints far fewer copies.

The basic situation, however, is that both the *Sunday Telegraph* and *The Sunday Times* make a loss on their colour supplements; the *Sunday Telegraph* makes a loss overall, and *The Sunday Times* was also in the red last year, although it expects to make a small profit in 1976. This year the *Sunday Telegraph* may do better because it has gained the colour supplement from the Friday paper, and this has boosted its sales by 8 per cent. in two months as well as reducing printing costs. But it is a measure of the challenge which would face Rupert Murdoch that his two more successful rivals are struggling to make a profit. There is also every likelihood that by next year advertising revenue will be falling away again.

If he does gain control of *The Observer* Rupert Murdoch's room for manoeuvre seems limited. He cannot really go *directly for the Sunday Express* market because he is starting from quite the wrong point—neither *Observer* staff nor readers would accept the right-wing politics of the *Express*. But there are signs that traditional *Sunday Express* readers are not too enchanted with their current paper. The *Sunday Express* loss of readers is only exceeded by the failing appeal of Mr. Murdoch's *News of the World*, so it does seem that many of the 3,453,177 who have stayed loyal to the *Sunday Express* may be ready for a change. At least this remains a profitable market to aim at.

The alternative is to meet *The Sunday Times* head on. It is interesting that 37 per cent. of *The Observer's* readers also read *The Sunday Times* (one of the main causes of the decline in *Observer* circulation is financial pressure forcing people to give up multiple paper orders on Sundays). It would require a big promotional campaign, and a heavy investment in building up the staff, but Rupert Murdoch has successfully attacked the *Daily Mirror's* dominance among the popular dailies so he could well attack *The Sunday Times* circulation.

Oddly enough *The Sunday Times* would probably welcome an invigorated *Observer*. For the past 18 months it has been making contingency plans because it expected some change in ownership, if not an actual demise. Like the *Sunday Telegraph* it believes that three quality papers offer advertisers an up-market display window, and although the colour supplements may not make much profit, at least they constitute a £24m. a year advertising sector. The failure of one of the trio would weaken the entire selling proposition, it is argued.

Revenue earner

Whatever happens Rupert Murdoch should move fast. The uncertainty of recent weeks has been very discouraging for advertisers, although the newspaper stories about *The Observer* have improved circulation. But with advertising the important revenue earner, the lack of bookings after Christmas must be worrying. Cynics, however, would say that the Murdoch strategy has been perfect: if he takes over the paper it will be in the guise of saviour, and he can expect little opposition from the staff and from MPs now that they have had time to consider the alternatives.

For not everybody is gloomy about the prospects for the Press. More than half the national newspapers may be losing money but there are success stories, most notably *The Sun* and the *Daily Mail*. There is also the possibility that the production revolution, involving an introduction into Fleet Street of the new printing processes which have made the provincial press such a profitable industry, will arrive with much less trouble from the unions than was once feared, thanks to cash for retraining from the EEC in Brussels.

A recent issue of the *Media News Digest* from the advertising agency, Benton and Bowles, looks at the Press as if it were any other industry, and paints a cheerful picture. It points out that five years ago the cover prices of all the national newspapers (the weakest area of the Press) amounted to 65p while total sales were 37m., producing a gross annual revenue of £1.6bn. This year cover prices are over twice as high, at 139p, and circulation has dropped only 10 per cent. to just over 33m., giving a gross revenue of £3.22bn., which represents a rise way above inflation.

MEN AND MATTERS

Royal day at Peat Marwick

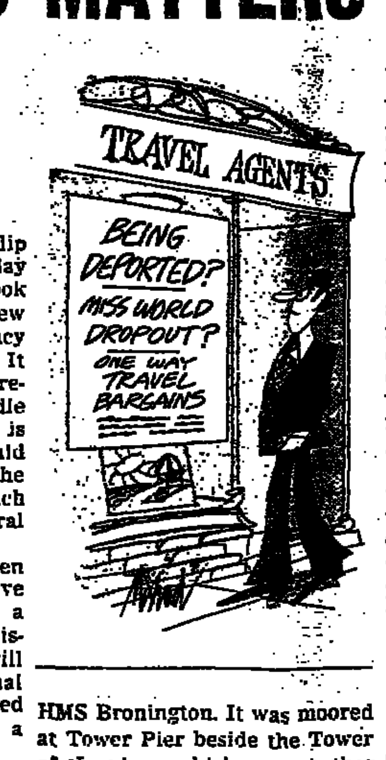
The Queen and Prince Philip are due to visit the City to-day when they will have a look round and lunch at the new head office of the accountancy firm Peat Marwick Mitchell. It is not a formal opening ceremony of the block at Puddle Dock, Blackfriars, but it is appropriate that Peats should invite to their new home the current head of a family which has been a client for several generations.

For Peat Marwick have been professional advisers to five British monarchs. It is not a subject the firm is keen to discuss in any detail. Peats will say that these days professional accounting services are provided for the Royal Household "in a number of areas."

There is evidence of the connection between the firm and the Crown in the fact that Henry Peat, second on the official PMM notepaper after senior partner Sir Ronald Leach, holds the CVO (Commander of the Royal Victorian Order), an order bestowed by Her Majesty personally. The work is by way of a Peat family tradition, as his father Sir Henry Peat was in his time also involved in providing Royalty with financial advice.

Peat Marwick is the largest of the accounting groups. Its influence is felt accordingly: at one stage last year, the firm was involved simultaneously in investigating the affairs of British Leyland, Alfred Herbert, Burmah Oil and Ferranti.

For the Queen, it is her second excursion to the Square Mile in a week. On Sunday, she drove through on her way to Prince Charles's minehunter



HMS Bronington. It was moored at Tower Pier beside the Tower of London, which meant that Her Majesty actually had her lunch aboard ship a few yards outside the City boundary.

Curt Bass

An exceedingly curt formal statement from Bass Charrington, Britain's biggest brewer, yesterday brought out into the open for the first time the Boardroom dispute which has been rumbling on for the past six months. "Mr. S. R. H. Williams has ceased to be a director of Bass Charrington by the unanimous decision of the other members of the Board," it said. Which caused one City analyst to comment: "I am going to frame it—it must be the rudest statement any company has put out for years."

Stanley Williams, 52, the man at the centre of the rumpus, has spent the past 11 years building up Bass Charrington's wine and spirit business from practically nothing to what he has described as "the one with the biggest portfolio of national brands."

"I am very sad to be leaving the group, particularly in this way," he said last night. "I was asked to attend a special Board meeting to-day so as to answer questions put by the other directors. I was not told that I was going to be removed and no reasons for my removal were given."

Williams maintained that he would be claiming damages from Bass for the termination of his employment. (Like most of the Bass directors he had no actual written contract.) Derek Palmar, the former merchant banker (Hill Samuel) who took over as chairman and chief executive of Bass in January this year at the age of 56, insisted: "There is no Boardroom dispute in this group. There never has been any question of other resignations."

But what about the other directors who have been moved from executive to non-executive roles? "Obviously," Palmar said, "I had to reshuffle my team."

Stay the same

A brief expression of anguish passed across the face of Gerard Pelisson yesterday when he asked for a cup of tea at the Reform Club in London and was told that only coffee was available. Clearly the British image had suffered another blow. Some might say that as far as Pelisson was concerned the incident was poetic justice, for as joint chairman of Continental Europe's biggest hotel chain, Pelisson is in the business of doing away with tradition. In ten years, Novotel has built up a chain of 130 hotels with 16,000 rooms which are all as identical as Pelisson can make them.

Novotel started as the French answer to Holiday Inns and has stuck fiercely to its preconception. "A lot of people build hotels as if they were building country houses. They have to be built like industrial products. You use engineers, not architects." Pelisson regards the technique of Trust Houses Forte (the biggest chain in Europe including the U.K.) in making each hotel a little different as money-wasting.

Novotel has three hotels in Britain and would like more: "There is a demand, and it is not the question of a shortage of money, it is the cost of that money." To pay off British interest rates Pelisson reckons he would need an 85 per cent. occupancy rate. In France he counts on 50 per cent. and in fact gets 69 per cent. "so we make a lot of money."

Novotel is now 16th in the world hotel league and growing a great deal faster than most. A deal for Arab development has given Arab investors an 8 per cent. stake in the French company. Meanwhile Pelisson claims he can build hotel rooms cheaper than anyone else in the business but not, he admitted wryly, as cheaply as THF can buy them from troubled competitors like J. Lyons.

Brutal

I do hope those who joined the "Fight the Cuts" march on the Commons yesterday enjoyed themselves from 4 p.m. onwards. That was the time, according to an advertisement in one newspaper (*The Guardian* again), reserved for "Lobbing MPs."

Observer

هكذا من الأصل

FINANCIAL TIMES SURVEY

Thursday, November 18, 1976

SYRIA

President Assad has succeeded in gaining Pan-Arab approval for Syrian intervention in Lebanon, while also holding the home front steady. Reconciliation with Egypt should lay the basis for a concerted approach to Middle East peace talks and renewed economic advance. But Iraqi hostility remains a threat.

CONTENTS

Firm hand at the helm

By Richard Johns
Middle East Editor

IT WAS the late President Nasser who described Syria as "the beating heart of Arabism." In modern times the heart has never been stronger, its rhythm so healthy and its essential function as well co-ordinated as it is now. Since 1970, and particularly over the past year, President Hafez Assad has proved himself the ideal pacemaker for the vital part which previously suffered endemic palpitations and intermittent convulsions—showing all the signs of weakness and disease.

The Egyptian leader made his tribute amidst the euphoria aroused by the formation of the United Arab Republic by Egypt and Syria in 1958 — in what seemed at the time a genuine recognition of the latter's claim to be the vanguard of Arab nationalism. The undoubted implication of his metaphor was that Egypt was the brain of the wider body politic. Whatever the justification for that assumption the three-year ill-fated merger ended in circumstances that only served to emphasise the ancient rivalry between the two main centres of the Arab world.

Subsequent history, meanwhile, has shown how essential harmony between Damascus and Cairo is if there is to be a measure of Arab unity. And, just as a close Egyptian-Syrian co-ordination was necessary to bring about the October War of 1973 and political results from it now it is required for meaningful progress towards a Middle East settlement.

This Survey appears on the sixth anniversary of President Assad's assumption of full power and after the reconciliation with President Anwar Sadat and Syria's triumph in obtaining almost unanimous endorsement by other Arab states for its intereventlon in the Lebanon. Certainly, the agreement reached before the full-scale Arab summit held under Saudi-Kuwaiti auspices was a compromise in which Syria gave as well as took. The essence of the bargain was that Egypt would implicitly recognise the primacy of Syria's role in the Lebanon—notwithstanding its formal pan-Arab guise—and reciprocally Damascus would acknowledge as an accomplished fact the second Sinai disengagement agreement of September 1975, which it consistently condemned as a treacherous betrayal and which was the cause of the deep, bitter differences.

On the pan-Arab front Syria looked uncomfortably exposed in the summer of this year when it sent in its own troops. But its special interest in the troubled country could hardly be denied. In the past Damascus has had claims to territory of the Lebanese entity whose boundaries were somewhat arbitrarily drawn by the French colonial authorities. At times it has revealed its dreams of creating a "Greater Syria." The sensitivity of successive regimes to the scope allowed to political exiles in the neighbouring Lebanon and criticism by the Beirut Press has been periodically expressed by the closure of the border.

As a heterodox country itself, with as many confessional minorities as the Lebanon, President Assad must have feared that the civil conflict might have grave repercussions in his own realm. Moreover, as the foremost traditional champion of the Palestinian guerillas, the Baathist regime in Syria in the early stages of the conflict felt obliged to give them support and, indeed, only stopped the flow of weapons in February.

The deal was a basic precondition for a settlement in the Lebanon, which must be stabilised before there can be a concerted Arab approach to the anticipated resumption of the U.S. peace initiative next year and a reconvened Geneva peace conference. With Mr. Jimmy Carter not yet residing in the White House and Israel's next general election nearly 12 months away, it would be rash to speculate how the Middle East negotiating process will evolve. Looking back over the past year, however, the Syrian regime can congratulate itself on having prepared the ground for it through its intervention in the Lebanon, which must have tested President Assad's nerve and taxed his determination to the limit.

To reach this point he has trodden a perilous path that has exposed him to hostility from other Arab countries, the risk of Israeli retaliation, the displeasure of the Soviet Union, on which Syria is completely dependent for its weapons, and opposition at home from elements offended by his policy in the Lebanon. In the volatile Middle East nothing can be said with certainty—but as far as his immediate aim of pacifying the Lebanon is concerned President Assad looks to be home and dry. Once described by Dr. Henry Kissinger (before they had met) as a "political primitive," President Assad—by any objective criteria—has emerged as one of the outstanding Arab leaders and the only one in Syria's independent history, which between 1946 and 1970 witnessed no less than 21 successful or attempted coups d'etat.

It has been the supreme irony of pan-Arab politics in 1976 that Syria should have eventually found itself in armed confrontation with the Palestinians. Like his predecessors, President Assad must have cast a jaundiced eye at the Lebanese political system. Even now one can only guess at the extent to which his regime in the first phase of the conflict deliberately sought to help change the status quo. But from the beginning of the year, when the guerillas and their left-wing allies threatened to overwhelm the right-wing Christians, a strategy has emerged that would account for the estrangement with the resistance movement.

On the one hand, there has been the obvious aim of preserving the unity of the Lebanon and preventing a Maronite partition. On the other hand, the medium-term purpose has been to work towards the establishment of a stable and moderate entity amenable to Syria's long-term national interests. The Palestinians had to be brought under a sufficient measure of control so that they will not—through provoking Israeli retaliation and incursions into the Lebanon—involve Syria in a future conflict with the Zionist enemy which it does not want and ultimately would make impossible the conclusion of an honourable negotiated settlement.

That, of course, assumes the possibility of the PLO accepting Israel as an accomplished fact and Israel in turn making the psychological somersault needed to treat with the Organisation. In the meantime, as a corollary to the peace strategy, Damascus evidently is seeking to bring Lebandon into alignment so that it can help protect Syria's western flank, if only through the installation of missiles in the Bekaa Valley, from Israeli attack from that direction. President Assad's logic would be that there can be no chance of negotiations leading to a settlement satisfactory to the Arabs unless a meaningful military option is held in reserve.

Partly for this reason, too, President Assad has assiduously cultivated King Hussein of Jordan, who has gone a long way towards a firm commitment to join forces with Syria in any future conflict with Israel. Beyond that Damascus has entered into wide range agreements with Amman on collaboration in economic and technical fields which actually do have substance to them. Politically, the regime has let it be known that it is working towards a confederation including Syria, Jordan, and Lebanon as well—though this has not been specifically stated—a Palestinian entity on the West Bank and in the Gaza Strip.

Quite apart from being a means of containing the Palestinian national movement's officially stated and as yet unrevoked objective of dismantling the State of Israel, the Syrian regime would also see such a confederation as a step towards Arab unity.

The Baathist Damascus engagement with a traditional monarchy looks an odd spectacle when one recalls its attempts before 1970 to undermine King Hussein. At first sight another irony of Syria's conjuncture this year has been the fact that when the going was toughest for President Assad the Hashemite was the one Arab leader willing to stand up in the open and be counted as an ally.

However, President Assad opposed the ham-handed, unsuccessful Syrian intervention on the side of the Palestinians in 1970 that provided the occasion for the overthrow of the left-wing ideologues who had run Syria since 1966. Even before the October War the more moderate policy adopted at home and abroad laid the base for good relations with the conservative Arab oil powers. Their subventions not only helped Syria re-arm but also to enjoy an unprecedented economic prosperity until the Lebanese involvement had its effect, and have since helped to keep the country afloat economically. With doubt even in the most lonely days of this summer Syria had a necessary modicum of moral and financial backing from Saudi Arabia and Kuwait, although both were unhappy about the confrontation with the PLO and the rupture with Egypt. Following the reconciliation with Egypt and the Arab summit, which endorsed the peace formula agreed by Syria, Egypt, the PLO and the titular President of Lebanon, at the earlier restricted meeting at Riyadh the picture looks very different and much more bright.

While giving minimum due respect to previous attempts to "pan-Arabise" the mediation in Lebanon, Syria seemed doggedly determined to impose its own solution. In pressing ahead regardless President Assad could be said to have called the original Israeli bluff, a feat made easier by the confrontation with the Palestinians. He was able to withstand the mounting displeasure of the Soviet Union, which must already have viewed with concern Damascus's improved relations with the U.S. and opening to the West—apparently appreciating that Moscow would be reluctant to risk its heavy investment in Syria by cutting off weapon supplies and, thus, alienating the regime. Finally President Assad agreed to submit the Lebanese question to an Arab summit. He was able to do so having placed the noose around the neck of Palestinians and their Left-wing allies. The outcome was that the PLO accepted the re-implementation of the Cairo accords restricting their activity in Lebanon and the establishment of a joint Arab peace-keeping force, which will be, to a great extent, Syrian in everything but name.

For the time being at any rate only Iraq remains an implacable enemy in the pan-Arab ranks, opposed not only to the hegemony ceded to Syria at the summit last month in the Lebanon but to any accommodation with Israel. Damascus's explosively bad relations with Baghdad have deep routes in time, going back to the 1966 coup in Syria and the split in the Baathist movement. The mutual hatred of the two regimes was exacerbated by the initial quarrel over the sharing of the Euphrates waters and the

CONTINUED ON NEXT PAGE

Growing economic confidence

THE SYRIAN economy has faced a crisis this year. It was caused not just by the Lebanon civil war but by other factors both in the Arab world and in Syria itself. The crisis has forced the Government to re-think its strategy and Syria will almost certainly benefit in the long run.

The country's economic potential is not in doubt. It has more cultivable land and a better *climate than almost any* other Arab country. It produces about 200,000 barrels of oil a day and is an important phosphate exporter. It has made major infrastructural invest*ments over the past decade so* that less needs to be done than in many countries before the economy can take off. Above all, Syrians, as befits a people straddling an ancient trade route, are born *businessmen* and entrepreneurs.

Syria, however, showed little sign of realising its full potential until President Hafez Assad came to power six years ago. The Baathist regimes of the previous seven years had instituted major economic reforms which in some cases, notably land tenure, were probably long overdue. But large-scale nationalisation of industry and other assets made many of the more able businessmen flee the country, taking their money with them if they could.

BASIC STATISTICS	
Area	71.772 sq. miles
Population	7.4m.
GDP (1975)	£S20.2bn.
Per capita	£S2,730
Trade (1975)	
Imports	£S3.4bn.
Exports	£S5.7bn.
Imports from U.K.	£35.1m.
Exports to U.K.	£4.9m.
Currency: Syrian *pound*	£1=£S5.94.

Since the Assad regime took over there has been a steady increase in output, culminating in a surge of growth following the October 1973 war. President Assad started cautiously to widen Syria's circle of trading partners and friends in the developed world beyond the confines of East Europe and to find a useful role for the private sector which was compatible with the more austere Marxist doctrines of the Baath party.

After the war this strategy could be pursued with more confidence, especially since finance from the oil-producing *countries flooded* into Syria, not just to repair (in a remarkably short time) the heavy damage the country had suffered from Israeli bombing but *to finance development. Syria's* net capital inflow, including loans, grants and credits, rose from £S188m. in 1972 to *£S1.39bn. in 1973, £S1.55bn. in* 1974 and *£S2.42bn. last year,* according to Central Bank figures.

The Government naturally leapt at the chance to speed up *Syria's progress towards an economy which would ultimately* be self-sufficient in food and an exporter of some agricultural commodities, as well as of oil and *phosphate*, and at the same time developing a substantial industrial base. The World Bank has estimated that Syria's GDP grew by nearly 13 per cent. in 1974 and by 14 per cent. last year. Government statistics measured in 1963 prices show a near doubling of GDP between 1970 and 1975, rising from £S5.62bn. to £S10.4bn. But the years of frantic growth produced their own problems.

Volatile

Amid the surge of funds, many of them dependent on highly volatile political factors in the Middle East, it was natural that there should be a rush to spend the money before it could run out, so a coherent strategy never really evolved. Aluminium *smelters and car* assembly plants were considered in the same breath as more practical projects like fertiliser plants, improved port facilities and irrigation schemes. The lack *of any real sense of priorities* caused one outside observer to call the Syrian economy at that time, "a dirigiste economy without any dirigisme."

Economic pressure produced inflation rated by outsiders at about 30 per cent. in 1974 and rather less the following year, while the total money supply rose by 45 per cent. and 25 per cent. respectively in those years. The sharp increase in imports helped soak up some of this monetary expansion (they rose from £S2.6bn. in 1973 to £S5.3bn. in 1974 and £S7bn. last *year, but the trade deficts of* £S1.09bn. in 1974 and £S2.3bn. in 1975 were outweighed on current account by capital inflows).

While inflation was (and is) a major difficulty, perhaps the most tricky problem for the regime was posed by the problem of the private sector. Between 30 and 40 per cent. of Syrian GDP (depending on how one measures it) is produced by the private sector, but the country has, in essence, a State-owned economy.

The boom produced fine opportunities for the private sector to benefit in construction, importing, small-scale industry and retailing, and the Government decided *in the* interests of efficiency to use some private sector businessmen as intermediaries between it and Western concerns, whose *technical assistance it badly* wanted. In doing so it accepted that these businessmen would derive much benefit from commissions.

Then several things began happening almost at once. The intensification of the Lebanon civil war brought an increasing *number* of refugees to Damascus and other Syrian towns. There are now about 1m. of them, staying in hotels or *with relatives, and boosting* the population, estimated at about 7.4m., by about 14 per cent.

At an early stage Syria decided that the refugees should be treated like its own people, which meant letting them consume the heavily subsidised food (flour costs the consumer *7 U.S. cents per kilo, something* of a world record) and fuel which Syrians enjoy. The original allocation for subsidies in the Syrian budget was £S600m. out of a recurrent total of *£S6.1bn., but the cost is now* thought to have vastly increased, possibly even doubled. Inflation is unofficially estimated at about 25 per cent.

Syria's military involvement *in* Lebanon, which *became* heavy from June this year onwards, is now reliably thought to cost the Government between £S12m. and £S15m. a day—over and above a national security allocation in the budget of £S3.69bn. though much defence spending is clearly concealed or simply not accounted for.

Partly in reaction to the *Lebanon situation but triggered* by the failure to reach agreement on dues, Iraq stopped pumping oil across Syria early in the spring and the Damascus Government lost transit fees *which had amounted to £S505m.* the previous year. It also lost the cheap crude which Iraq provided for the refinery at Homs, which can only cope with a small proportion of Syria's more sulphurous crude. Syria must now buy crude from Saudi Arabia and most sources say that it pays the full market price for it (a price above that at which Syria sells its own crude).

Early in the year it became clear that finance from the oil-producing States was flowing much more slowly than before. *Syria had expected at least some* of the $1bn. a year agreed at Rabat in November 1974 but almost all of this sum was unforthcoming, partly because the two principal contributors, Saudi *Arabia* and *Kuwait*, *wanted to put pressure on Syria* to heal its quarrel with Egypt, and partly because they believed it better both for themselves and for Syria that aid be tied to specific, well-founded projects.

SYRIAN BALANCE OF PAYMENTS 1972-75—(£Sm.)	1972	1973	1974	1975
Exports	+1,211.4	+1,363.1	+2,913.9	+3,440.9
Imports	−2,089.3	−2,344.6	−4,175.9	−5,697.1
Balance	− 877.9	− 981.5	−1,262.0	−2,256.2
Services: credit	+ 763.7	+1,049.5	+1,338.5	+1,420.2
Services: debit	− 220.5	− 303.4	−1,171.2	−1,431.6
Services: balance	+ 543.2	+ 746.1	+ 167.3	− 11.4
Private capital transfers: net	+ 167.9	+ 143.2	+ 166.6	+ 194.8
Government capital transfers: net	+ 187.8	+1,387.2	+1,547.8	+2,416.6
Total net transfers	+ 355.7	+1,530.4	+1,714.4	+2,611.4
Current account balance	+ 21.0	+1,235.0	+ 619.7	+ 343.8

Source: Central Bank of Syria.

Breakdown

Since Syria does not provide an itemised breakdown of its loans, grants and credits, in view no doubt of their political sensitivity, while some items appear to be omitted from the net capital inflows it is very hard to establish how this year's aid *flow compares with last year's.* In general it can be said that until the Riyadh *mini-summit* in October Syria received very little in grants from other Arab States, though Saudi Arabia is *known to have paid $200m.* towards the war in Lebanon after the *Prime* Ministers' meeting in Riyadh in July.

Syria originally budgeted to *spend £S16.6bn.* this year, a 38 per cent. increase on the previous year. Recurrent spending of £S6.1bn. and development spending of £S10.8bn. would represent the first substantial *tranche of a £S54bn.* five year development plan to cover the years 1976 to 1980. It is slightly obscure as to how the budget was to be financed but it appears that about £S6bn. was anticipated from all foreign sources with an extra £S1.4bn in credit, and £S6.2bn. was to be borrowed locally. The development budget was more a statement of intent than a plan, and many of the projects would anyway not have been started during the year because of administrative and other problems, even had funds been available.

But in the event Syria reduced its budget by 40 per cent., according to the Economy Minister Dr. Mohammed Imadi, apparently paring back development spending by at least £S6bn., and almost certainly having to devote more money to the recurrent budget. The trade deficit this year is expected to be greater than last year's, although the invisible account has been helped by increased port dues stemming from the closure of Beirut and Tripoli harbours. Syria's reserves of foreign currency which had increased from £S1.03bn. in 1973 to £S1.9bn last year, have declined, but the fall, which has not been published, is said by the Central Bank not to be substantial.

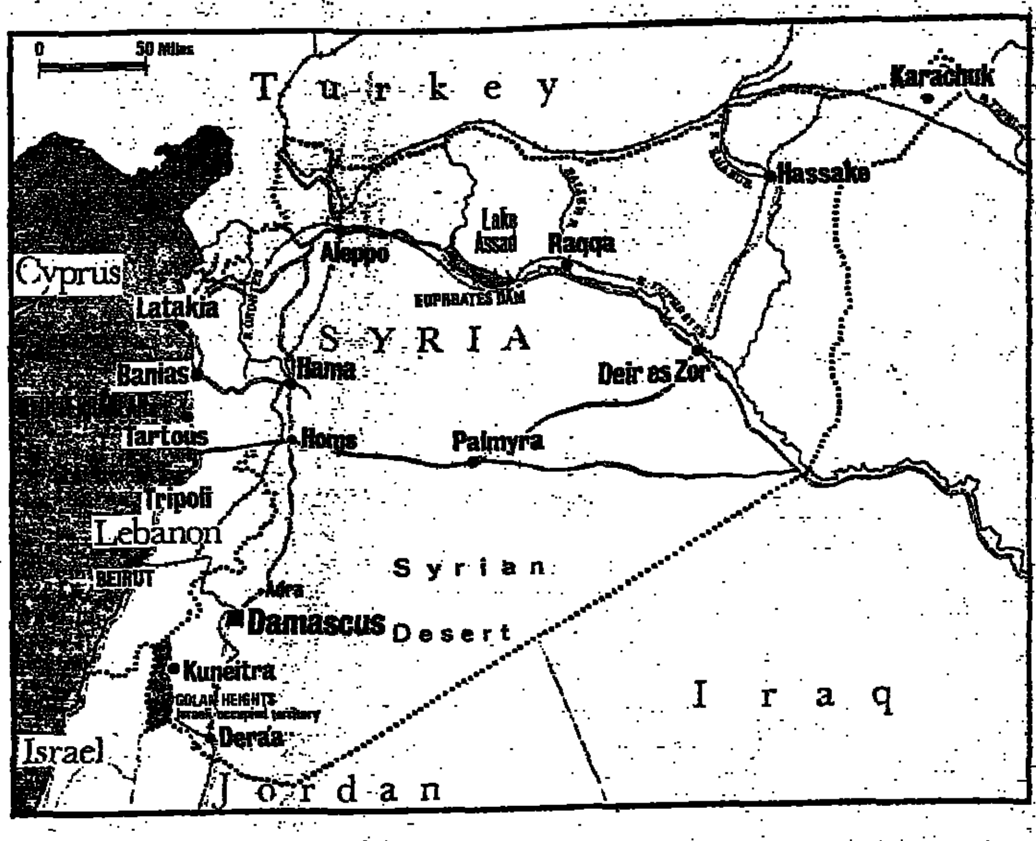
Government spending over the year depends to some extent on what happens in Lebanon in the next two months, but it is known that Syria received generous not unspecified finance from the *Saudis* and Kuwaitis at the mini-summit in Riyadh, which will at least help finance the war for the rest of the year and could help revive some development projects.

The decline in outside finance not only exposed the haphazardness of the Government's planning system; the quick fortunes being made by some members of the private sector involved with the Government proved too much for the Baath party. The blame for what it was considered had gone wrong was put by President Assad on the former Deputy Prime Minister for Economic Affairs, Mr. Mohammed Haidar, who with the Prime Minister Mr. Mahmoud Ayoubi, departed from office.

New ministers of Planning and Finance were appointed but Dr. Mohammed Imadi, a technocrat whom many observers consider one of the chief architects of Syria's present prosperity, retained his post. General Abdel-Rahman Khleifawi, the new Prime Minister, has been specifically given the task of supervising the economy and reducing corruption.

Two problems remain effectively unanswered. One is the future role of the private sector. The other is that Syria is now nearly a year into its fourth five-year plan period without having published or finally agreed on a coherent development strategy.

James Buxton



Firm

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Iraqi decision to cut off oil supplies early this year, having for three years given Syria the luxury of cheap crude at 1973 prices. Now the continuing presence of Iraqi armoured brigades on the border has forced President Assad to thin out the ranks of the forces facing the Israel and could constitute a real threat. But more disconcerting are the possible repercussions within the country itself where the inter-action between foreign affairs and domestic policies has always been notable.

At the critical point in mid-summer there appeared little doubt that there were those in the ruling Baath Party and the Army favouring Baghdad's more militant approach. Many of them, it may be assumed, have been removed to safety. More widely there have been misgivings about the confrontation with Palestinians and the temporary alliance with the right-wing Christians—understandable and almost inevitable in a country with such a long radical tradition and record of support for "progressive forces."

In this respect the Communist Party, which forms a part of the wider "National Front," appear to have been divided. It was equally predictable that discontent should make itself felt among the religious extremists in predominantly Sunni Moslem urban centres like Homs and Hama. Unrest might have been dangerously aggravated if the Syrian Army had incurred heavy causalties. At the same time the Lebanese imbroglio involved a financial burden—now being carried by the Arab League—and the influx of 500,000 or more refugees from the conflict has been a major inflationary factor, as well as giving rise to growing resentment.

In what looked as though it might become a very difficult situation President Assad has kept an iron grip. The security apparatus, of course, is all-pervasive and efficient—though almost invisible and very much less oppresive in relaxed Syria than in, for instance, Iraq. His control of the party and more essentially the Army is clearly a strong one. It is fortified by the "Special Forces" commanded by his brother, Rifaat Assad. Yet most important in the long run has been the large measure of acceptance for the regime's policy in the Lebanon. Addressing the Syrian people in July, President Assad frankly acknowledged and faced the misgivings felt, stressing that the role being carried out was an honourable one in the people's interests. The majority undoutedly have supported him in the risky undertaking. The diplomatic triumph achieved last month in Riyadh and Cairo can only have consolidated his stature still further.

هكذا من الاصل

Political acceptance

SYRIA HAS scored notable successes this year in imposing its policies on Lebanon and winning their acceptance by the rest of the Arab world. A not so spectacular but nevertheless solid achievement has been to get through a potentially very difficult period with few major internal crises. This is because President Hafez Assad has established a relatively broad political base and keeps a very tight hand on the levers of power and a sharp eye on possible opposition.

The President of Syria, General Hafez Assad.

Before President Assad came to power in 1970 there had been 21 documented coups or attempted coups in the previous 24 years. The Assad regime has held power longer than any other in Syria's war history, partly because the president has concluded that no single political body can rule the country alone.

Syria is ruled by a coalition of forces welded together by President Assad. The regime's power is based on the Syrian army and the extensive internal security forces and para-military groups that go with it. The Baath Party, which originally came to power in 1963, is the political organisation which assists the army in governing. Baathism, which is a synthesis of Marxism and Arab nationalism has had a major influence on Syrian affairs, but over the last few years the underlying reality, chiefly in the economic sphere, has whittled away at this ideological base. The Baathist politburo in Syria is the Regional Command, although nominally this is subservient to the National (or Pan-Arab) Command. The most influential figures in Syrian political life, including leading military officers and Government ministers, are among its members.

President Assad, despite being Secretary General of the Baath Party, is well aware that for all the Baath's penetration of Syrian bureaucracy, education and professional organisations, it is not a broad enough base to sustain a regime. Nominally the leading political body in Syria has been since 1973 the National Progressive Front, a coalition of which the Baath party makes up about half. Its other basic components are the Communists, the Arab Socialists and the Unionist Socialists, but the Baath is recognised as the leading group. These parties sit in the 186-seat Peoples Assembly.

Even the National Progressive Front cannot be said to represent the whole spectrum of influential opinion in Syria. The Assad regime has made concessions (ideologically painful to the Baath purists) to business interests, while a quarter of the cabinet posts are held by technocrats affiliated to no party. The hope has been voiced in the past few years that the coalition could lead to the dwindling of confessional problems in Syria. But for the moment no one can ignore the fact that President Assad and many of his senior political associates are Alawites, a minority Muslim sect whose home in Syria is in the mountains behind Tartous and Latakia, and which has long been influential in the Syrian army.

This minority can only retain power by keeping the support of representatives from the other main religious groups. Naturally the backing of the country's Sunni Muslim majority is the most important factor and the Prime Minister of Syria is traditionally a Sunni from Damascus. But there are important sections of Druze and Christian opinion to be satisfied too, as well as smaller religious and racial minorities, including Armenians, Kurds and Jews.

Given the complexity of Syrian political life (of which the above is only the briefest summary) and the fact that Syrians are by nature intensely political, the internal problems for the regime caused by the intervention in Lebanon can easily be imagined. Lebanon, after all, has its own counterparts to the political and religious groups which exist in Syria. Several factors could have been expected to cause trouble and to a limited extent did so.

One was the necessity to put pressure on the Palestinians, which President Assad argued was in their best interests: apart from causing trouble among the Palestinians in Syria this was a hard pill for some Baathists to swallow, since the restoration of Palestine is one of its leading ideals. Another potential flashpoint was the need to pursue this policy in alliance with the Lebanese Phalangists, and this, though doubtless pleasing to some of the Syrian Christians, was offensive to many of the Sunnis. The Soviet Union's displeasure upset the far Left and the Communists, while almost any event in Lebanon involving one of the other minorities, notably the Druzes, has been felt in Syria, even when Syrian forces were not directly involved. The Syrians believe, with some justification, that Iaq has always been happy to stir up any promising source of trouble.

Nervous

The regime has certainly had its nervous moments over the past few months: on July 22 President Assad made a speech of unprecedented length for him in which he set out his aims in Lebanon and sharply reminded the Palestinians that their political objectives should lie in Palestine not Lebanon. The next month he announced a change of government and the Prime Minister Mr. Mahmoud Ayyoubi gave way to General Abdel Rahman Khleifawi a change prompted partly by the previous Government's poor management but also by the need to freshen the Government's image.

But on the whole events have gone the Government's way. It was helped by the weakness of the opposition, especially of the Communists, probably potentially the strongest group after the Baahists but divided into three, and by the Palestian bomb attacks on Damascus, culminating in the raid on the Semiramis Hotel, none of which did any good for their popularity with the Syrians. By this stage events in Lebanon were beginning to turn in Syria's favour.

But probably the key to the Government's success lies in its tight grip on the security situation in the country, and the care and consultation with which its policies were prepared. The President's brother Rifaat Assad commands a highly effective defence regiment or "Praetorian guard," consisting of two divisions, whose principal purpose is to protect the regime. In the circumstances any open opposition would have been futile.

In the end the Syrian success in obtaining endorsement of its Lebanon policies in both the Riyadh and Cairo summits was sufficient to halt almost all murmuring against the Government and give President Assad great popularity. In the weeks leading up to the meetings there was a series of deaths in the northern city of Hama in which leading Alwaites died at the hands, it is thought, of the conservative Sunnis of the city. But this is thought to have reflected more the long-running tensions in Hama than opposition to the ruling faction occasioned by the Lebanon situation. Although this was certainly a contributory factor, there were also almost daily explosions in Aleppo which were blamed on Iraqi provocateurs.

The survival of the regime is for the foreseeable future closely bound up with the course of events in Lebanon. Failure, which President Assad has always taunted previous regimes with, could be fatal, but a man who has been in positions of great power for 18 years must have immense knowledge of the twists and turns of inner Syrian policy, and many people are heavily dependent on the regime. Its economic policies have brought some benefits. The Baath Party's grip on the country is tight, which is both an advantage and a disadvantage to the regime: on the one hand it consolidates part of its power base, on the other hand the fact that Baathism's economic thinking has barely been modified since Michael Aflak and Salah Bitar invented it thirty years ago is an impediment to the economic liberalism which the Government believes essential for Syria. But with the rival Baathist State of Iraq on the border it does not do to press the ideologues too hard.

James Buxton

Trade patterns

HOWEVER elusive Syria's economic liberalisation may sometimes appear on the ground its trade has significantly shifted towards the West during President Hafez Assad's six years in power. According to Government statistics half Syria's imports last year came from West Europe, while East Europe, including Russia, provided about 16 per cent. Yet as recently as 1970 East Europe had a quarter of the Syrian market, West Europe's share standing at about a third. Two years before that East Europe and West Europe each had about a third of the market.

A similar pattern emerges in exports. East Europe's share of Syria's exports has dropped steadily over the past four years (after rising to a peak in 1972) and now makes up only one-fifth of the total. West Europe's share, on the other hand, is now more than half, with with the EEC alone taking 47 per cent. East Europe's trade has grown in value during the past six years (during which Syria's imports from this bloc have trebled) but West Europe's share has increased nearly sevenfold.

Preferences

Syria has been able to swing away from the East bloc, a move initially dictated by its political and economic preferences, because of the strength of its foreign exchange position following the 1973 war. As a result Russia, with which much trade has been on a barter or counter basis, has seen its exports virtually stagnate in recent years, though in 1970 it was Syria's biggest single supplier.

For the last three years West Germany has held that position, selling Syria £S795m. of goods in 1975, according to Syrian Government statistics. Thereafter the order appears to run Italy, France, the U.S. (benefiting from the sale of six Boeing aircraft to Syrian Arab Airlines), Japan and then Britain in sixth place.

If arms sales were taken into account, Russia (whose published exports to Syria reached £S201m. in 1975) would almost certainly have a high position in the above list, and it remains an important export market for Syria. Italy, however, is the largest single buyer of Syrian products, principally crude oil, with France and West Germany not far behind. The fact that Syria recently agreed to sell Russia 3.3m. tons of crude oil over the next five years could indicate something of a drift back towards counter trade, which becomes more attractive when foreign exchange is less plentiful.

The pattern of Syria's balance of payments has altered in other equally striking ways since the October 1973 war. Its total imports nearly trebled between 1973 and 1975, rising from £S2.34bn. to £S5.7bn. As one might expect of a country importing to equip itself for development the three biggest sectors of imports are transport equipment, machinery and metal goods, which together make up about 45 per cent. of the total, leaving chemical products not far behind.

But nearly 20 per cent. of Syria's exports last year were of food, sugar alone making up about 7.5 per cent. of the whole. The proportion of food imports has stayed fairly steady over the past few years and is a reminder of Syria's need to increase its food production.

Syria's exports increased more than two and a half times between 1973 and 1975, reaching £S3.4bn. last year. More than two thirds of this was made up of oil exports which totalled £S2.4bn. last year, 9.5m. tons being sold. Crude oil only emerged as the principal Syrian export in 1974 when the oil price increased and Syria was able to increase production sharply to take advantage of it. The second most important export is cotton, making up about 13 per cent. of exports last year, and the third textiles, with about 6 per cent., one of Syria's few but growing industrial exports.

Phosphate exports, which reached 308,000 tons last year, earning £S55.8m., made up only a small proportion of Syria's exports but as production rises this item will grow in importance. Apart from cotton, agricultural products worth about £S200m. made up about 6 per cent. of total exports.

The improvement in the terms of trade in most items in Syria's favour over the last three years has greatly helped the country's trading position, but the trade deficit still widened by nearly 130 per cent. between 1973 and 1975. On the invisible account the largest single item on the credit side has been oil transit dues, which rose by about 40 per cent. between 1973 and 1975. However, the debit side has grown immensely as more Syrians travel abroad and Syria consumes more foreign services.

The invisible account went into deficit last year having been healthily in surplus for several years. But with funds flowing in plentifully from the Arab world, and with a small net inflow of Syrian private capital, the balance of payments has been substantially in credit on current account over the last three years, with surpluses of £S1.3bn. in 1973, £S619m. in 1974 and £S343.8m. last year.

No figures for this year's trade or balance of payments have yet been issued but the picture is certainly rather darker. Imports are certain to have increased, with the cutback in Government spending (which buys 85 per cent. of the imports) unlikely to be reflected in the figures before next year. Exports should benefit from improved oil output and prosphate production and last year's good wheat harvest (with an even better one this year) but with food imports to feed a population swollen by Lebanese refugees necessarily higher, and the need to import oil at a higher cost than it was bought from Iraq, the trade account must remain heavily in deficit.

On the invisible account the most serious blow is the loss of almost all the fees from the transit of Iraqi oil. This is offset by the benefit to the transit trade resulting from the closure of Beirut harbour and the switch to Latakia and Tartous, which had previously had only a limited transit trade.

With capital payments uncertain it is difficult to assess whether or not there will be a current account surplus this year, but as the surpluses have declined over the last two years this trend could be expected to continue and perhaps push the current account into deficit. It is possible that the Government will impose some restrictions on imports, particularly of politically embarrassing luxury goods.

Syria evidently has no intention of letting go of what it has gained of the Middle East transit trade since the collapse of Lebanon and would like to increase the share. At the end of October, 65 ships were waiting to enter Latakia and 35 were in varying stages of unloading, having waited up to 40 days for a berth. The same situation was repeated on a slightly smaller scale at Tartous. But both ports, already coping with far more cargo than they were designed for, are to expand in the next few years.

Meanwhile, a fine Sovit-built railway links Latakia via Aleppo and the Euphrates dam with Qamishly, where it joins the Iraqi railway system. A railway is also being constructed between Homs and Tartous to replace the existing link and when other lines are complete Syria will, with its roads improved as well, be in an ideal position to fulfil its historic role as a transit nation.

Exports

Britain's exports to Syria have increased by leaps and bounds, rising from £10m. in 1973 to £21m. in 1974 and £35m. in 1975. This year Britain should sell between £60 and £65m. worth of goods in Syria, transport equipment and machinery being the main items. But most observers think that the increase would have been much more spectacular had the British Government committed itself to Syria in aid, which it has not done, and if ECGD did not take a view of Syria's economic and political credit which, though recently slightly modified, is almost certainly too pessimistic.

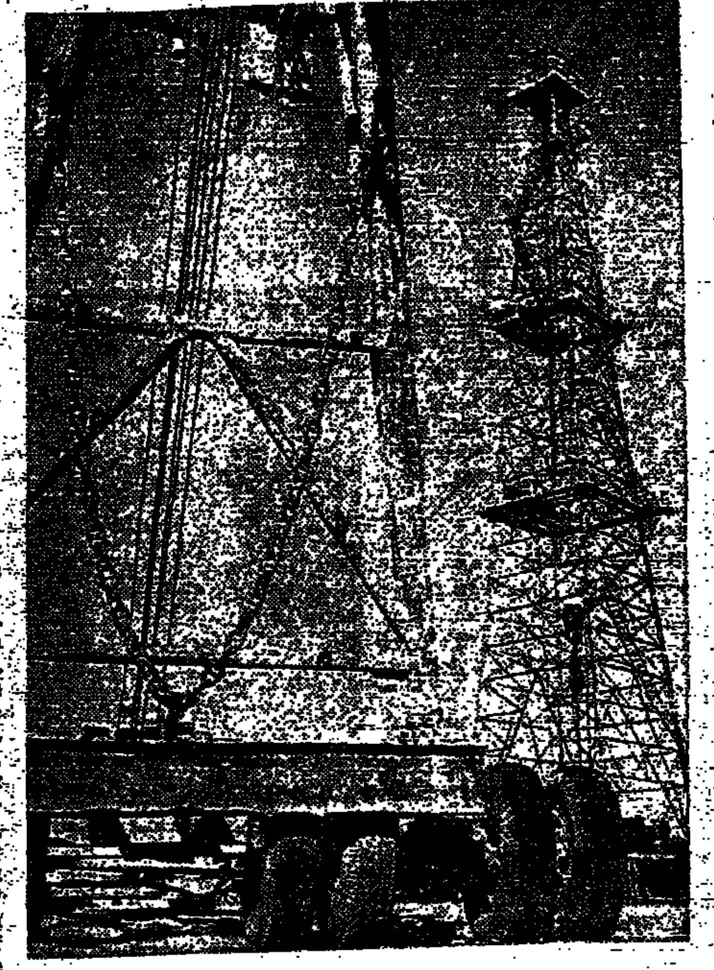
In September Britain signed a Memorandum of Understanding with Syria which could pave the way to more economic and industrial co-operation. A joint commission is to be set up which will meet once a year alternately in London and Damascus to explore possibilities for joint ventures. The move appears to have been undertaken with some reluctance by the British Government which normally considers this kind of agreement (it also has one with Saudi Arabia) to be overstepping what it sees as the bounds of the role of the State.

British companies are already involved in the Syrian economy in a fairly modest way: among other things a British firm of consultants has made a plan for a new housing complex on the top of Mount Kassioun, behind Damascus, to cope with some of the city's expansion, and it hopes to be awarded the contract for the next stage. Stone Platt has a £19m. sterling contract for erecting and equipping a textile mill at Latakia, and Hall and Kaye is similarly engaged on two much smaller plants in the Damascus area.

A British consortium including Cementation is interested in the possibility of building a teaching hospital in Damascus and British contractors are interested in contracts which may be on offer for a new township at Dimas outside Damascus and a dry dock at Tartous.

J.B.

Oil production on a modest scale



Drilling for oil in North-East Syria.

EVER SINCE independence the Syrians have been hoping for a major oil discovery, on a scale similar to those made in northern Iraq, which will take the country into the ranks of the big oil exporters. So far they have been disappointed, and judging from the poor response to a recent offer of licences, the international oil industry has little faith in *Syria's prospects.*

At present proven commercially recoverable reserves in Syria are put at 1.75bn. barrels in five fields—Suwaidiyah (with over 1bn. barrels), Karachuk, Rumailan, Olayan and Jesisa. The first two were discovered in the late 1950s but they were only brought on stream in 1968. Since then output has grown from 70,000 barrels a day in the first full year of production, to 170,000 b/d in 1975 and an expected 200,000 b/d in 1976. These figures are somewhat below the targets set in the early 1970s, when it was hoped that production in 1975 would reach 240,000 b/d.

From the extreme north-eastern corner of Syria (which contains all the fields except Jesisa, some 40 km. south of Hassake) a 300,000 b/d capacity *pipeline runs via Homs,* where a small volume of crude is taken off for refining, to the Tartous export terminal.

The Syrian export blend is a very heavy 24 degree API, containing about 3 per cent. sulphur, which buyers normally *mix with 40 degree API Algerian* crude. Recent sales have been to Greece, Spain, Holland, Italy, Poland and Russia, with most contracts running for not more than a year—the short duration, which reflects buyers' low preference for Syrian crude. During *the oil crisis of 1973 the Syrians* are believed to have got as much as $11 a barrel, but current sales are fetching $10 to $10.50.

With these levels of prices and exports, revenues from oil sales in 1975 did no more than finance the operating budget, covering the ordinary cost of production (unpublished but believed to be high) and the capital cost of expanding output capacity of the Syrian Petroleum Company—the State concern responsible for exploration and production. The company's development budget, which ran to $110m. compared with $735m. in the operating budget in 1975, was earmarked for exploration purposes and was financed from other sources.

In purely fiscal terms, therefore, *Syrian oil operations are a* loss-making venture. The benefit for the country comes through the savings in hard currency and through the strategic advantages in having indigenous oil supplies.

Underlined

These advantages were underlined for the Syrians in April this year when the Iraqis cut off the flow of oil from their northern fields around Kirkuk to the Syrian terminal at Banias. As in the quarrel over the Euphrates waters, the dispute which led up to the cut-off was fuelled as much by political as by economic disagreements, but the immediate occasion for the Iraqis' action was the failure of the two countries' negotiators to agree on a scheduled three-year *revision of transit dues and the* price of Iraqi supplies for the Homs refinery.

During the negotiations it seems that there was little movement in the position of the two sides, which began by being very far apart. The *Iraqis insisted that there should* be no significant increase in transit dues (because of the depressed state of the tanker market) and that the price at which the Syrians received crude at Homs should be raised from $3.55 a barrel to $11.85 *to* $11.95, in line with the increase in world crude prices which had occurred since the previous agreement between the two countries came into effect at the beginning of 1973. For their part the Syrians were asking for an increase in transit dues in line with the rise in crude prices, and the continuation of cheap crude supplies for Homs as well as for the new refinery being built at Banias.

In view of the common political interpretation of the cut-off it is significant that the Iraqis closed down the pipeline without warning while the Syrian delegation was still in Baghdad.

Immediately after the cut-off the Syrians asked for and received a gift of 100,000 tonnes of crude from Abu Dhabi, which *would* keep their refinery running until such time as they could negotiate a new supply contract. This they arranged subsequently with Saudi Arabia—though they have had to pay the full commercial price as well as the cost of installing new *pumps* so that the stretch of the pipeline between Homs and Banias can be operated in reverse. At the same time the Syrians increased the use of their own crude in the Homs refinery.

Given the high density of its crude there is no possibility of Syria becoming totally self-sufficient in oil supplies — even though its consumption of 62,000 B/D in 1975 amounted to little more than a third of its crude output.

The Homs refinery, with its capacity recently expanded from *50,000 B/D to 100,000 B/D and* now incorporating a lube oil plant, can take, no more than a quarter of its supplies in heavy crude, while the new refinery at Banias, which will run off a 50-50 mixture of Syrian and imported Algerian or Libyan crude, is export-orientated.

The major Syrian preoccupation with its oil industry, however, remains not the achievement of total self-sufficiency, but the expansion of production to generate export revenues.

Sharing

During the past two years the Syrian Petroleum Company has discovered a field of unassociated gas at Howl, near Jebisa, and four new oil fields: Tishreen (October) also near Jebisa, *Habari near Aleppo,* and Salhieh and Gebebeh in the extreme north east of the country. Habari and Tishreen, it seems, are particularly encouraging finds, but not in any sense comparable with big fields of Iran, Iraq and the Arabian peninsular countries. So for the time being the estimate that Syria may eventually be found to contain as much as 7bn. barrels of recoverable reserves (a figure which the Syrians have been talking about for some years) remains just hope.

To try to confirm the existence of these hoped-for reserves the Syrian Government early in 1975 entered into production *sharing* arrangements with the U.S. Tripco group, which took most of Syria's offshore acreage, and the Romanian enterprise Rompetrol, which took an area west of Hassake in the north east of the country.

Later, in June 1975, the Government opened up all the rest of Syrian acreage (apart from that held by the Syrian Petroleum Company), dividing the areas into 12 main blocks and offering them for international bids under production sharing or service contract arrangements. The terms specified that company costs were to be recoverable from 40 per cent. of production, that the production sharing ratio was to be negotiable, that there would be minimum exploration commitments and that there should be competitive signature and production bonuses.

In the event, despite the Syrian Oil Ministry contacting *virtually all of the majors*— U.S. independents and European *national companies—not* one of the 12 blocks was let. To add to the Syrians' disappointment, the Hungarian State concern Chemokomplex, which had begun talks before the offer of the 12 blocks was *made public,* eventually decided to withdraw its bid, while in May 1976 Tripco, having conducted seismic surveys, relinquished all of its acreage.

The current state of Syrian exploration arrangements, therefore is that Rompetrol is still *working on its block in* the north-east and that the Syrian Petroleum Company is exploring in five areas. The latter are a block which extends from the extreme north-east corner of the country to about 100 km. south of Hassake, in the south-west around Damascus and the Jordanian border; in a small block south-east of Aleppo and in two small blocks with a south central position. SPC is employing Rompetrol and a Yugoslav company as contractors (these arrangements *being quite separate from* the Rompetrol service contract) *and is receiving technical* assistance with some of its own drilling operations from the Russians.

In August 1975 Adnan Mustafa, the Syrian Oil Minister at that time, stated that his Government was not satisfied with the Russians' performance, though later in the year—by which time it had become apparent that there was not going to be a big response to the offer of the 12 blocks for international bids—new Soviet-Syrian protocol was signed, providing for somewhat expanded Russian assistance.

Despite what has been in practice a reversion to reliance on the East Block, the new Oil Minister appointed in August this year, Isa Darwish, stressed in a conversation in Damascus last week that the 12 areas remained as open as ever to international bids and that Syria was prepared to be very flexible in its negotiations on terms.

Michael Field

Euphrates power

IT IS now three years since the Tabqa Dam on the Euphrates was "closed-in." The facilities *of the dam itself are nearly* complete and the reservoir, named Lake Assad, has reached its scheduled depth. The project is established as one of the mainstays of Syria's present economic performance, and should be the foundation for a large *part of the country's growth* over the rest of this century.

The dam's main role, given enhanced importance by the loss of Iraqi oil supplies, is as the source of the bulk of Syria's electricity—providing 1bn. kWH in 1975 towards a total consump*tion of some 1.4bn.-1.5bn. kWH.* This has enabled the Syrians to leave idle much of their thermal generating capacity, while using the rest mainly for peak load work.

Once the power station at Tabqa is finished (two of the *eight 100 MW turbines have not* yet been installed and a further turbine has still to be commissioned) the dam's output will *rise to 2bn. kWH. This will fall* back ultimately to 1.6bn. kWH as the Euphrates irrigation projects are completed, leaving less water to be fed out of Lake Assad through the dam.

By that time the dam's generating role will have been transformed from a supplier of base load power for industrial and domestic use to a supplier only of peak load power for these purposes. Some 80 or 90 *per cent. of Tabqa's power will* then be being used for pumping water into irrigation canals—all bar one of the areas to be irrigated being above the level of Lake Assad.

The Tabqa Dam's long-term role in the Syrian economy, therefore, will be to boost the country's agricultural output. So far only a 200,000-hectare pilot project, for which the studies were done by consulting engineers Sir Alexander Gibb and Partners, has been finished, but three much bigger areas—the Meskene-Aleppo plain west of Lake Assad, the Balikh basin north of Tabqa, and the "upper" Euphrates valley between Tabqa and Halable Zelabie (which is already partially irrigated by traditional methods)—are in the early stages of development.

Meskene-Aleppo has been divided into two sections: the irrigation systems in the eastern one are being built by the Japanese contractors Nippon Koei, which are to start work soon, while the western section is being built by the Russians, who already have 21,000 ha under construction.

Eventually—well into the next century—a total of 640,000 ha net (excluding space taken up by roads, canals and villages) along the Syrian reaches of the Euphrates should be irrigated. But *apart from* the difficulty, experienced universally, of training farmers in new agricultural techniques, there could be major hitches in development if it is discovered that in large areas the quality of the soil is rather less good than it has been made out to be.

Population

There is also the problem of population. At present the population of the Euphrates area is only about 1m. (this figure including the populations of Raqqa and Deir-ez-Zor) and because of emigration to the more developed western regions of Syria it has been growing very slowly. Even if emigration *from* the *region stops,* the natural rate of population growth will not be sufficient to *fill the projects planned, and if* the authorities fail in their attempts to encourage a big reverse flow of population from the west, they may have to slow down the development schedule or face the difficult problem of importing farmers into the projects.

It is not, however, the problems of soil or population that have focused most attention on the development of the Euphrates in recent years, but the bitter dispute of the division of the river's waters in which the Syrians have become involved with the Iraqis. The dispute has admittedly been much influenced by inter-Baathist ideological differences, practical political disagreements and the traditional divergence of temperament between Syrians and Iraqis, but the Iraqis' concern with their water supplies has nonetheless been real. Before the development of the Euphrates's upper reaches began Iraq used to receive an average annual flow at Hit, just inside its borders, of about 30bn. cubic metres. In future this appears likely to be reduced to about 11bn. cubic metres.

The first extractions will be made by the Turks, who will

CONTINUED ON NEXT PAGE

Some fall-off in the flow of aid

[O]F ALL the non-oil producing [A]rab states it was Syria whose [e]conomy benefited most drama[ti]cally from the oil price rise of [1]973. In the two years that [fo]llowed the country [e]xperienced record growth rates [a]nd a big expansion in the [w]ealth of its private business [co]mmunity. All this sudden [in]crease in prosperity stemmed [fr]om an inflow of gifts, cheap [lo]ans and foreign investment.

No official figures for gifts and [ai]d have been published—the [Sy]rians like to keep the precise [a]mounts they have received [se]cret so that they can play [do]nors off against each other—[bu]t by 1975 it seems that the [an]nual rate of inflow must have [re]ached some $1-$1.2bn. Most [of] the grants and aid came from [A]rab countries, but there were [al]so contributions from the east[ern] [blo]c, Germany, France (whose [ai]d has helped it to do particu[lar]ly good business in Syria in [th]e past three years) and the [U.]S. Interestingly Britain has [gi]ven no aid at all—it is felt in [D]amascus that this may reflect [th]e political bias of the Labour [Pa]rty establishment. There is, [th]ough, a hospital building con[tr]act soon to be awarded, which [if] it is won by the British [bi]dder (Cementation), will be [pa]rtly financed by a big U.K. [Go]vernment loan.

[R]eversed

In the past nine months the [...]ing tide of aid to Syria has [be]en strikingly reversed—partly [as] a result of the Arab oil states' [su]rpluses decreasing and partly [as] a result of Syria's con[tro]versial intervention in [Le]banon.

So far this year it is known [th]at at least $400m. of project [ai]d has been pledged from [va]rious Arab and non-Arab [sou]rces, though little of this [mo]ney will have been disbursed [as] yet. Saudi Arabia is known [to] have given Syria $200m. towards the cost of its operations in Lebanon, and there have been grants made or promised from the U.S. and the UN's Food and Agriculture Organisation. The EEC for its part announced last month that it would be offering Syria $72m. of aid as part of a new trade agreement with the Mediterranean Arab countries.

It seems probable that the Arabian Peninsula countries managed earlier this year to give Syria a certain amount of money in secret—but it is only now that the Cairo summit has taken place that Syria can expect a resumption of normal aid operations — albeit with the amounts still much reduced from 1975 levels.

In fact, as explained in other articles in this Survey, the fall-off in aid has not been without its advantages. Given also that an unexpectedly big increase in oil producer spending became apparent as long ago as late 1974, the Syrians had anyway realised for some time that a drop in the aid inflow would be inevitable after a year or so.

For the longer term, therefore, they have been basing a big part of their strategy for growth on economic liberalisation aimed at encouraging the expansion of the private sector and attracting foreign private and Government investment. This policy has been evolving steadily since President Assad came to power in 1970, and although it is not possible to pinpoint any decisions which would constitute a watershed in its development, the impetus of liberalisation has increased since 1973.

In the main the growth of private sector investment has been encouraged simply by the Government granting construction permits and licences for the import of machinery where none would have been granted before 1970. Apart from industries which have always remained the preserve of the private sector, such as non-cotton textiles (silk) and the clothing industry, the areas into which private sector investment has been steered by the Government in the last few years are: transport, tourism (hotels and restaurants), light manufacturing, property development—which in Damascus as elsewhere in the Middle East has enjoyed boom conditions — and contracting.

Easier

Backing up the easier policy on permits and licences are a number of tax incentives for private investors—some long established and others introduced over the past six years. Income tax and profits tax rates have always been quite low in Syria and have not been reduced, but investors in industrial projects get a three year holiday from profits tax and property tax (normally applied to plant as well as buildings) when their factories start to yield income. They are also exempted from paying customs duties on necessary capital imports and from paying tax on that part of their profits which they retain for expanding their business.

Further encouragement has been given to the private sector through the liberalisation of foreign exchange controls. Under President Assad the Syrian Government has cancelled many of its bilateral payments agreements, it has permitted the free import and export of foreign banknotes, and it has allowed non-residents and Syrians who have overseas business activities earning foreign currency to open foreign exchange accounts in Syria. There are no restrictions on how Syrians may use the funds in these accounts.

For foreign investors the Government provides all the usual undertakings on such matters as the repatriation of profits—these normally being incorporated in the contract when a foreign party enters a joint venture. Additional security is provided by Syria's participation in the Kuwait-based Inter-Arab Investment Guarantee Corporation (officials lay considerable emphasis on the importance of this body) and by bilateral treaties guaranteeing investments against nationalisation and certain other non-commercial risks signed with Saudi Arabia (which is not a member of the IAIGC) and the U.S. The clauses dealing with these matters in individual contracts the Government will often arrange to have formed into a bill, which will be passed by the National Assembly and so will be given the force of law.

At the inter-Arab government and semi-government level the Syrian measures so far have helped attract $250m. from the Kuwait Finance Ministry, which will be invested through the Kuwait Real Estate Consortium (formed by four private Kuwaiti property companies brought together by the Government). Projects now under study by the Consortium's office in Damascus (there are other offices in Cairo and Amman) include low income housing and tourist developments. Other Government - sponsored foreign investors are the Syrian-Saudi Investment Company for Agriculture and Industry, established with an authorised capital of $50m. last August, and the Syrian Hotels Company owned by the Arab Investment Company (based in Riyadh with Arab government shareholders), the Kuwait Real Estate Consortium, the Libyan Arab Bank and a private Arab-owned company registered in France.

Investment schemes put forward by Arab institutions backed by private sector finance have been fewer, and the Kuwait Hotels Company (which owns or has interests in Hiltons in Kuwait and elsewhere) has actually abandoned a scheme for a hotel in Damascus after making studies. More recently, however, there has appeared a plan under which a Saudi company called REDEC (Research Development Corporation), owned by Ghaith (pronounced Raeth) Pharaon, may invest as much as $1bn. in stakes in Syrian industrial projects. Under the terms of a protocol signed with the Ministry of Planning, REDEC is now studying the possibility of its participating in the Banias refinery, the CIT-Alcatel telephone equipment plant, a road construction equipment assembly scheme, a furniture factory, an asbestos-cement pipe plant and phosphorous-gypsum extraction.

Among individual investors, the best known person to have put his money into Syria has been Shaikh Zayed of Abu Dhabi, who is building a palace at Bloudan near Zabadani about 45 km. from Damascus. A large number of other investors, particularly from the UAE, have invested in smaller properties, while Saif Ghurair, the Chairman of the Dubai Chamber of Commerce, is currently heading a group discussing the possibility of building a Hilton hotel in Damascus.

Reassure

To encourage and reassure potential Arabian investors, the Syrian Government has actually gone as far as buying a half-completed hotel (net to the Economy Ministry) from the heirs of a Kuwaiti investor, Abdel-Razzak al Khaled, who, on their father's death quarrelled over the division of their inheritance. This instance of the Government incurring an expense mainly for the direct benefit of private investors in difficulties ought to give Kuwaitis a "home from home" feeling.

Compared with the interest shown by other Arabs, the involvement of Western companies in Syrian investment schemes has been relatively small—although it is noticeable that whereas most of the Arab activity has yet to go beyond the discussion stage, the two big instances of Western investment in Syria have already involved corporations committing their money. These two projects are the Aleppo tractor plant (now operational), in which a Spanish firm has a stake, and the CIT-Alcatel telephone equipment factory (being built), in which the French company will have a share of probably 15 per cent.

Instances of Western corporations participating in Syrian industrial enterprises may become more common once six new free zones have been established at Adra (north-east of Damascus), Tartous, Latakia, Aleppo, Damascus airport and (as a recent addition to the list) Deraa Ramtha on the Syrian-Jordanian border.

The zones in the most advanced stage of preparation are Adra and Latakia, although there is now a lot of political force behind the development of Deraa-Ramtha, which may consequently be completed sooner than expected. Most of the Adra zone (to which the small existing Damascus free zone is being moved) has now been let to tenants which include enterprises associated with German French and Japanese companies.

Manufacturers in the free zones will not only have access to other Arab markets under preferential tariffs, but will also be able to sell in the domestic Syrian market certain items which are normally prohibited imports. The amount of such items allowed to be sold in the domestic market will be 20 per cent. of the quantity of the manufacturers' exports of those items.

When it is borne in mind that the Syrian economy has expanded enormously since the days when the private sector dominated the economy before the nationalisation measures of 1965, the result of the whole corpus of liberalisation measures introduced in the last six years has been to put the private investor in Syria in a position where, according to the chairman of the Damascus Chamber of Commerce, he has "never had it so good."

Improvements

The Syrian business community, on the other hand, acknowledges that conditions have recently been good but feels that there is still room for further improvement. In particular it is suggested that the liberalisation of the foreign exchange laws should be backed up with changes in official exchange procedure so that transactions can be done with reasonable speed. On a broader level there are calls for a big reduction in bureaucracy in general and in some cases suggestions that the Government should give a still more definite indication of precisely which industries it wishes the private sector to invest in, and precisely what corporate forms it envisages for private investors. Some Syrian entrepreneurs suggest that in certain industries the Government should take the initiative in investing and bring in the private sector as partners.

Given these attitudes and the still cautious approach of foreign investors, it may be that the Syrian Government will find itself treading the same path as that of President Sadat's Government in Egypt, where every liberalisation measure seems to produce a demand for yet another reform, and where the hoped-for flood of foreign capital never seems to get any nearer. Given, though, that even the most *liberal members of the Syrian* Government are still fairly committed socialists, it is doubtful if the Assad regime would allow itself to be drawn very far down the Egyptian path before turning round.

What is certain is that the fate of Syria's liberalisation programme will depend very much on external factors. Failures of Government policy abroad — in Lebanon — would undoubtedly produce an internal challenge from the harder line Baathists in the regime, which the more moderate (and currently dominant) faction in the Party might have to accommodate by conceding changes in economic policy. Already the hard-liners have questioned the liberalisation policy on purely economic grounds, claiming (not without justification in some instances) that it has led to examples of conspicuous expenditure and the appearance of "fat cats."

Much will also depend, therefore, on what results, in terms of private sector investment and foreign capital inflow, the liberalisation policy produces over the next year or two.

In the opinion of Dr. Mohammed Imadi, the Syrian Minister of the Economy and architect of the present policy, who is deeply personally committed to ensuring the success of his ideas, the response of foreign investors so far has been slightly discouraging. Before it will become possible for the Government to do more in the way of meeting the remaining criticisms and suggestions of the private sector, it is felt that there will have to be further foreign money actually committed to investments, so that the Government can show all factions of the Baath Party and the Syrian people that liberalisation produces tangible benefits.

M.F.

[E]uphrates

CONTINUED FROM PREVIOUS PAGE

[ac]count for some 10bn. cubic [me]tres spread between the irri[ga]tion projects to be built in [co]njunction with the planned [Ka]rababa Dam.

[G]iven the colossal expense of [Ka]rababa, which will involve [the] construction of several [tun]nels, nearly 1,000MW of [pum]ping capacity and miles of [can]als to take water to the [Ma]rdin and Urfa plains well to [the] east of the Euphrates, the [pro]ject is probably of doubtful [eco]nomic benefit. But the Turks [see]m determined to press [ahe]ad regardless—motivated, it [see]ms, partly by the "resource [wast]e" logic which argues that

EUPHRATES WATER FLOW

Billions of cubic metres annually (approx.)

	Past	Future
Turkish Consumption (inc. evaporation)	—	10
Flow at Turkish-Syrian border	23	18
Syrian Consumption (inc. evaporation)	2	13
Additions from the Balikh and Khabur tributaries plus return water	4	6
Flow at Hit	30	11
Iraqi Consumption	14	14+
Leaching Factor	—	1½
Additions from Thathar	—	3
Evaporation, seepage and discharge into the Gulf	16	—1

[it is] always a crime to allow any [nat]ural resource to go un[exp]loited.

[F]urther downstream at Tabqa [the] Syrians plan to extract [abo]ut 7bn. cubic metres net, [afte]r taking into account about [...] of return water and 4bn. [a]dditions from the irregular [Bali]kh and Khabur tributaries. [Hit]herto the Euphrates flow has [bee]n increased by 2bn. in [Syri]an territory.

[T]he Turks, the commence[men]t of whose Karababa pro[ject] lies some years in the [futu]re, have not yet had to say [ver]y much to justify their claim [to] water. But the Syrians have [wor]ked out a case, which is [base]d not on the normal claims [of a] traditional user but on a [com]parison of their own and [the] Iraqis' resources.

[T]he Syrians say that Iraq [has] received traditionally from [the] Euphrates and from the [Tig]ris and its tributaries nearly [...] cubic metres of water a [yea]r, whereas the Syrians' own [wate]r resources, apart from the [Eup]hrates, amount to just 3 or [...] cubic metres. It is [sugg]ested in this context that [eve]n if the Iraqis were to face [a s]hortage on the Euphrates, [ther]e would be ample water for [bot]h countries if the Euphrates [and] Tigris systems were con[side]red as a unit—and the [Syri]ans point out that they are [mak]ing no claim at all to water [fro]m the Tigris which flows [alon]g the Syrian frontier in the [extr]eme north-east of the [cou]ntry.

To conclude the case it is argued that in addition to its rivers Iraq has massive oil resources to depend on for its development, whereas Syria is endowed with few minerals and must base much of its future growth in the agricultural sector of the Euphrates.

The Iraqis' reply to these arguments has been to state simply and conventionally that farmers have been the traditional users of the Euphrates and that in future they will require a Hit 13bn. cubic metres (the original Iraqi claim was 18bn. a year). The Iraqis also state that the salinity of the Euphrates (already a very saline river compared with the Tigris) will be increased by the return water from the Syrian irrigation projects, and that they will therefore need extra water for leaching. They acknowledge that they have now almost completed the Tharthar outlet canal, which will take diverted Tigris flood waters from the Tharthar depression to the Euphrates, and some flow from Tharthar seems to be taken into account in their waters claim.

Minimum

But they do not wish to put more than a minimum of water through the outlet canal because that would involve taking water from irrigation projects planned for the Tigris system, which has much greater development potential than the Euphrates. There are plans for building a second outlet canal back into the Tigris which would convert the Tharthar depression into off-river storage for the Tigris system.

Faced with these arguments the Syrians have resorted to questioning the Iraqi's estimates of the requirements. Originally they destroyed Iraq's claim for 18bn. cubic metres because during a rare period of inter-Baathist co-operation in 1963 (when Tabqa was at the planning stage) the Iraqis gave the Syrians all the calculations on which their claim for water was based, and the Syrians were able to deduce that 18bn. was what the Iraqis thought they might just possibly be able to use in a good year, but certainly not their average annual consumption.

Now the Syrians are questioning Iraq's 13bn. claim on the grounds that traditional Iraqi irrigation methods, developed in order to deal with salinity, are highly extravagent on both water and land—a true assertion, even though Iraq has hitherto had a shortage of neither. On the basis of practicable improvements in Iraqi techniques the Syrians have worked out that the Iraqis really need only 8 or 9bn. cubic metres.

In themselves these figures may be correct, and it is also *true that there are more* important things to be done to improve Iraqi agriculture than the conclusion of arrangements for an extra 2 or 3bn. cubic metres flow on the Euphrates a quarter of a century hence. But the Iraqis have resented having the Syrians tell them about their own needs, and they feel anyway that the Syrians have failed to take into account the cost of installing new drainage systems along the entire lower Euphrates (which is what the Syrian suggestions would involve) and the difficulties involved in teaching traditionally minded farmers new irrigation techniques.

At this point the argument has been deadlocked since the last round of talks between the two sides in 1975, when Lake flood season of 1975, when Lake Assad and the lake behind Keban were filling up, the Iraqi's suffered from a really severe reduction in the river's flow which destroyed a large part of the Euphrates' rice crop. During the summer, which saw both sides move troops to their border Sheikh Ahmed Yamani, the Saudi Oil Minister, made an unsuccessful attempt at mediation.

In the spring and early summer of 1976, however, a big flood, which completed the filling of Lake Assad and the Keban lake, left ample water for the Iraqis.

Nevertheless, none of the fundamental issues has been resolved—the Iraqis have asked the World Bank not to lend either Syria or Turkey funds for irrigation developments until such time as they have been discussed. For the long term the Iraqi anxieties remain as acute as ever, and there is no doubt at all that the Euphrates issue, along with the quarrel over oil transit and supplies for the Homs refinery, will add much fuel to the fire in any political dispute between the two countries in future.

M.F.

Farm output fails to keep up

SYRIA has had three good farming years in succession. The morale of both farmers and the civil servants who manage agriculture is buoyant and their confidence in the prospects for the ambitious programme they have ahead of them is high. But the difficulties Syrian agriculture still faces are daunting.

Syria has the land, rainfall and sunshine necessary for successful agriculture. But like many developing countries its agricultural output has not kept pace with the needs of a population growing at the rapid rate of about 3.3 per cent. a year. The FAO index, based on the average production of 1960-65, put Syrian output in 1974 (a good year) at 132, while in 1973 it was only 78. The index of production per head, based on the same years, put Syrian output at 93 in 1974, and only 57 the year before.

Although Syria exports wheat in a good year, and its cotton exports make up about 13 per cent. of foreign exchange earnings, it is a heavy food importer. Last year, despite good production of most crops Syria bought £S1.2bn. of food for its population of 7.4m., against food exports of only about £S200m. And despite the imports the Syrian diet is considered to be below recommended calorific levels, and particularly weak on animal protein content.

Target

Syria does not aim to increase its agricultural exports substantially during the next five years (even cotton exports are expected to stabilise); rather is self-sufficiency the target. In the past Syrian agriculture has suffered, as it has in many developing countries, from lack of investment, poor administration and upheavals caused by a decade of necessary but painful land tenure changes. But the period of turbulence is over and Syria now has better agricultural administrators with clearer objectives.

The 6m. hectares of cultivatable land (there are another 8.5m. of pasture and steppe) grow chiefly wheat, barley and cotton, but lentils and sugar beet are increasing in importance. Tobacco, olives and other fruit are also grown. Meat, egg and milk production are, as yet, at a fairly low level, but form one of the three main areas of development in the agricultural programme for the rest of this decade.

By far the most costly area of strategy is the projected increase in the irrigated area. Some £S8.5bn. has been allocated to this over the next five years, nearly six times as much as the allowance for other agricultural developments. About £S1bn. has been earmarked for irrigation schemes on the Orontes River in the north west and the Khabur, a tributary of the Eurphrates, in the north east, and it is projected that 22,000 ha will be irrigated in these areas.

But the rest of the money should go on expanding the irrigated areas in the Euphrates Valley below the great dam at Tabka. Since 1972 about 20,000 ha have been irrigated and cultivated as a pilot project. The ultimate target is 640,000 ha in three separate areas. Few realists believe that this will be achieved this century, and the aim of irrigating during the next five years 240,000 ha, of which 135,000 would be cultivated, seems highly optimistic.

The size and complexity of the Eurphrates irrigation undertaking cannot be overstressed. The dam and its power station will, when complete, cost about £S1.2bn., but many times that amount will have to be invested in irrigation works, preparation of land, roads, storage facilities, housing, machinery and agricultural inputs, before the Euphrates project is complete. The Government, with relatively little experience of handling such large-scale projects, must draft thousands of people to live in this remote, semi-arid area, a task which cannot be made any easier by the miserable drabness of the villages erected on the 15 State farms in the pilot project.

The irrigation and development of the pilot project has been studied by consulting engineers Sir Alexander Gibb and Partners and the Dutch concern NEDECO. Irrigation work and studies of areas to be irrigated in future are being carried out by concerns from different countries including France, Romania, Russia, Bulgaria and Japan, as well as by Syria itself. Agricultural production from the area already irrigated is considered highly encouraging and to bode well for the future. Output of rice, cotton and fruit has far exceeded expectations, it is claimed, and such things as alfalfa, apricots and poplar trees have done well.

Strategy

The second part of the agricultural strategy is the intensification of production in the rainfed areas. The Government appears to be having success in making farmers abandon the practice of monoculture (cropping a field one year and leaving it fallow the next). The area of fallow land as a proportion of the cultivated land dropped by about 30 per cent. between 1974 and 1975 when the campaign began and is said to have dropped even more this year with almost all of the 500,000 ha of fallow land in the areas with best rainfall being cropped annually.

Farmers have been shown the effectiveness of growing leguminous fodder to restore nitrogen to the land in alternate years from growing cereals. Special prices offered for legumes have been an added incentive.

More than 80 per cent. of the cultivable land in Syria is privately owned in plots ranging in size up to 300 hectares but mostly under 100 hectares. About 16 per cent., according to Government statistics, is farmed in co-operatives, a proportion which the Government, for sound economic reasons as much as political preference, wants to increase. It has stopped trying to coerce farmers into co-operating in crop production—a system under which each farmer effectively lost the freedom to use his land as he liked, and there are no collective farms.

The present aim is to encourage service co-operatives in which farmers own their land but combine to buy inputs, obtain credit, rent machinery and in some cases market output. There are moves towards centralised planning in regions by which co-operatives would have to submit a plan to local farmers' assemblies and would only be granted credit if the plan was accepted.

Partly by the increasing use of co-operatives, and partly by Government assistance with advice, credit, machinery repairs, and plant protection among the independent farmers, it is hoped that the agricultural intensification programme will lift wheat production to 2.3m. tons a year by 1980 (compared with a base year production—based on production averages—of 1.7m. tons); maize 198,000 tons (26,000); sugar beet 2m. tons (200,000)—four new factories are to be added to the existing three; and potatoes 400,000 tons (144,000).

Several of the crops where output is to be increased, including legumes and soya, are mainly destined to boost the output of livestock—the third part of the agricultural strategy—and together with the arable intensification programme will cost about £S1.5bn. The Government wants to integrate livestock production with arable farming as far as possible, in order to avoid having to transport fodder hundreds of miles.

Arable farmers are being encouraged to diversify into livestock production and special co-operatives devoted to different aspects of livestock production are being set up in dairy farming, egg production, sheep farming and meat production. In the steppe areas arable farming has been banned in order to protect the range, and a scheme is in hand in the south of Syria, in conjunction with Jordan, to improve the operations of the nomads in sheep and cattle raising by means of more wells and fodder storage facilities.

Advice

In general the Government's role in livestock farming is to provide advice and easy access to inputs; it is supplying breeding cattle (thousands of Freisians are being imported, mainly from West Germany and Holland), mother hens, artificial insemination facilities and so on. The targets are high. Egg production should increase 2.5 times to 1.5m. eggs a year by 1980; milk output should nearly double from 567,000 tons to 950,000 tons: meat production should rise from 90,000 tons to 190,000 tons. The Syrian people should benefit from an 80 per cent. rise in animal protein in their diet.

Syria's agricultural strategy makes good sense to most observers, especially with the Government playing a basically advisory role (except in irrigation) and leaving most of the production to the private sector. But successful implementation depends on a wide range of factors, quite apart from the weather.

Much depends on the quality and experience of the officials and specialists in the field and their skill in dealing with an essentially conservative section of the community. Large numbers of agronomists and agricultural engineers are being produced in Syrian colleges but some officials admit that the organisation will have to grow substantially in size as well as experience to face the task ahead.

Another key element is the relationship between the Ministry of Agriculture and other Ministries concerned with such matters as electricity development, sanitation, health facilities, and drinking water, which can transform life in the villages. Liaison has not always been good but the Ministry of Agriculture is becoming aware that agricultural inputs are only part of the story; rural development in general is a vital ingredient of successful agriculture.

J.B.

TABLE OF AGRICULTURAL PRODUCTION

	1970	1972	1973	1974	1975	1976
Wheat production, thousand tons ...	624	1,807	593	1,630	1,550	1,600 (est)
Wheat exports, thousand tons ...	0	278.4	124.1	0.2	0	NA
Wheat exports, £Sm.	0	84.2	45.0	0.1	0	NA
Barley production, thousand tons ...	235	710	102	656	597	1,000 (est)
Lentil production, thousand tons ...	58	96	24	83	67	135 (est)
Lentil exports, thousand tons ...	10.6	28.5	10	4.9	8.4	NA
Lentil exports, £Sm.	6.4	21.3	17.4	10.9	18.2	NA
Sugar beet production, thousand tons ...	228	249	152	139	187	NA
Raw cotton production, thousand tons ...	383	419	404	386	390	450 (est)
Raw cotton exports, thousand tons ...	136	116.4	119.2	109.9	102.3	NA
Raw cotton exports, £Sm.	309.8	373.1	448.3	715	439.3	NA
Total animal production, £Sm.	643	532	884	874	1,103	NA
Total food imports, £Sm. ...	358.4	485.9	569.2	1191.5	1154.8	NA
Total agricultural exports (ex. cotton), £Sm. ...	160.3	308	307.7	214.2	207.7	NA
Total agricultural production index (1970=100)	100	156	103	171	171	NA

Source: Syrian Government statistics office.

Development plans

THE FACT that Syria, nearly a year into its Fourth Five Year Plan period, has no agreed development plan reflects more than the drop in outside finance: the Syrians want to adopt a more realistic strategy which can be implemented with a high degree of success. For despite the economic achievements of th past three years some serious weaknesses in the Syrian economy and its management have been shown up and it is remembered that before 1973, when development was conceived on a much smaller scale, plan implementation fell well behind targets.

Syria originally intended to spend £S70bn. over the five years to 1980 but this was quickly rejected as unrealistic. The expenditure target then came down to £S54bn., of which as much as £S20bn. would be sought abroad. The feverish work the new Government is now doing on the plan is aimed not just at adjusting it to include a greater degree of self-reliance, but at producing a strategy to avoid the pitfalls of the past.

Anyone who has studied the attitude to planning in some of the richer oil-producing States in the Middle East will find the Syrian determination to produce a fully realistic strategy immensely refreshing. Syrian Ministers and officials are now facing up to serious issues of development. The country must after all earn its living principally by its skills rather than from any immense hydrocarbon or mineral windfall. But the technocrats face the difficulty that development in Syria, like everywhere else, is a political as well as an economic problem.

The lack of a published plan is not yet causing any serious difficulties. The cutback in finance led to the cancellation of some of the more ambitious projects such as a car assembly plant which was under negotiation. Regrettably it also meant delaying the start of projects in irrigation and electricity development. But in many fields Syria is going ahead with really worthwhile schemes.

In agriculture a five-year programme aimed at making Syria self-sufficient in food and increasing animal protein consumption is well under way. In industry a Romanian concern is building a triple superphosphate plant at Deir el Zor with Iranian finance which, with another plant at Homs, should give Syria a surplus of fertiliser for export at the end of the decade before local consumption catches up.

Cement factories already under construction will provide a surplus for export by 1980, and in the textile plant which will enable Syria to treble its capacity for spinning, locally-grown cotton has mostly been contracted for. By the end of the plan period three-quarters of Syria's cotton should be spun into yarn at home. In the oil sector exploration is going ahead, while the Homs refinery has been rebuilt and its capacity doubled to handle 5m. tons of crude a year; a new 6m.-ton refinery at Banias is being built.

Dropped

So far so good. But the Damascus planners are well aware that although it can be shown that the 1970-75 plan achieved an increase in GDP in real terms which was a few percentage points more than the plan had projected, this was not because of effective planning. After the 1973 war some projects in the plan were dropped and others put in their place; the total spending was considerably in excess of that originally proposed.

During the first three years of the plan only 38 per cent. of the investment ordained for the whole five years was actually made. This, it is generally agreed, is because the projects themselves were often poorly prepared and the control over them ineffective. But there was also a shortage of foreign exchange.

This last was not a problem in the final two years of the plan and specialist observers consider that implementation

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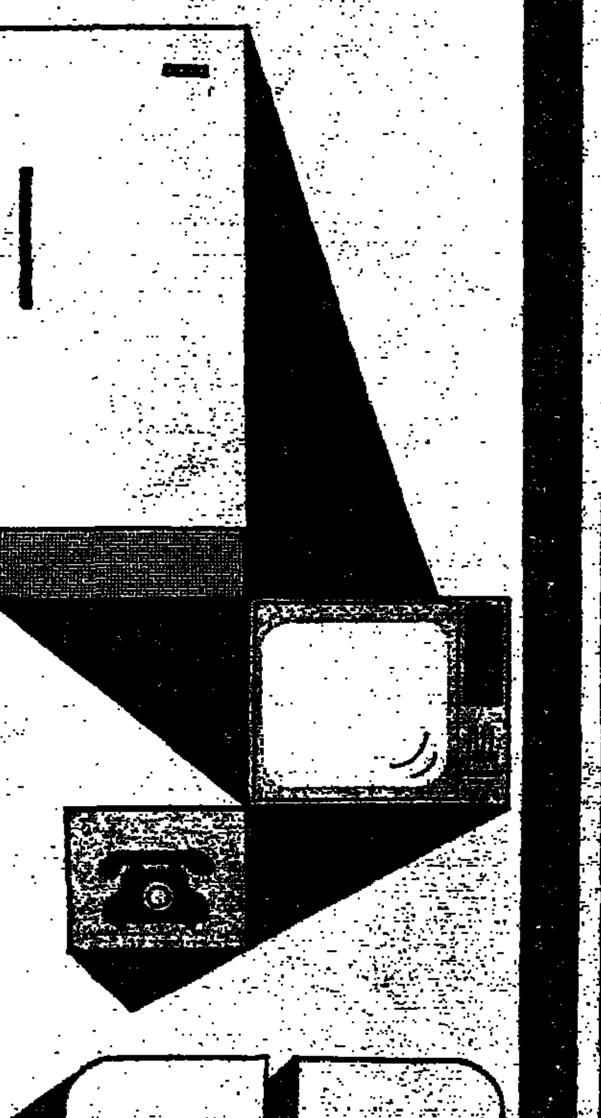


SYRIA VII

Cotton is leading export earner

THERE ARE probably few Westerners who would associate modern Syria with intensive methods of farming and a record in export marketing which most other countries must envy. In truth, the uninitiated might even now drive northward virtually the length of the country, from the political capital of Damascus to the cotton capital of Aleppo, without discerning that cotton is the country's leading agricultural commodity and export earner.

According to a recent study by the International Institute for Cotton, cotton supplied Syria with over 33 per cent. of its total exports in 1973, and 1m. out of the total population of 6.25m. were dependent on cotton for their livelihood. The bulk of exports go to the Communist bloc countries, with China and the Soviet Union as the main buyers, although sales are spread worldwide. Up to date statistics are hard to come by but in 1974-75 Syria exported some 101,000 tonnes of cotton, of which only about 20,000 tonnes went to "Western" world destinations. The bigger 1975 crop enabled exports to be stepped up slightly, but a larger proportion appears to have been retained for domestic textile production.

The cotton harvest.

In Syria, it is intriguing to compare just how closely the major changes in the cotton scene have followed behind those of Egypt. Egypt nationalised its previously excitingly speculative private enterprise cotton trade in 1961, Syria its own in 1965. Egypt was inspired by Western irrigation experts to build a vast dam on the Nile, seeking better irrigation for its crops, but turned to the Eastern bloc for its erection in the 1960s, shouldering debts comparable with those for arms. A similar sequence of events has led to the completion of the Euphrates Dam in the 1970s.

Skills

To point out these similarities is not by any means to denigrate the achievements of Syria in the cotton field. By following Egypt, it has sought to emulate a trading system that is in many respects pre-eminent in the cotton exporting world. What Syria has done, with incomparably smaller resources of personnel and traditional commercial skills, must be adjudged quite remarkable.

Syria is a major producer of raw cotton but its cotton is not of the more specialised Egyptian type. It is of the American seed style, which accounts for over 90 per cent. of the world total production. The first frosts come too early to Syria to permit the ripening of the slow-growing Egyptian types. Syria, therefore, operates in a much broader market than does Egypt, and faces a correspondingly larger degree of competition.

Producing a much less significant share of the world output in the respective category, Syria cannot hope to find that its own decisions on such fundamental matters as the area sown and the prices charged will exert a significant influence upon world markets. Moreover, while Syria may aim for a steady increase in output, it will be frustrated by the fact that even now a fairly large proportion of cultivable land lacks irrigation, and therefore may or may not be available for the sowing of cotton, according to the dispensations of a capricious rainy season. In order to support a cotton crop, the land must have received over 250 mm. of rain before the end of February. Such land is concentrated largely in the north-west of the country, and its output is channelled mainly to the domestic spinning industry.

The provision of irrigation to the cotton plant imparts to its fibre a much higher degree of uniformity in "spinning character" than can be attained from a rain-grown crop. Until the completion this year of the first phase of the intricate canal system associated with the Euphrates Dam, Syria had little hope of increasing its cultivable acreage. The dam may permit the production of about 200,000 tons of cotton by 1980, but there was even a temporary fall in available farm land as the newly-created lake filled.

Effort in recent years has therefore been directed largely towards the production of cotton of the very highest quality on the land available, and to the increase of yields. Geneticists have developed the unique "Aleppo" seed strains, which show a high degree of resistance to the endemic plant diseases and yet have afforded increasing yields per unit of land. In the ginning process, emphasis has been upon the installation of the expensive modern saw-gin (a sophisticated machine which as its name implies cleanly saws the fibre from the seed on which it is borne), to replace the traditional roller-gin, an apparatus which in its crudest form bears striking resemblance to grandmother's clothes mangle. About 83 per cent. of the crop was saw ginned in 1974-75, as against 46 per cent. in 1965-66. Ginning operations are now concentrated in 19 large units, of which 12 are situated around Aleppo, whereas 57 were operated privately before nationalisation. The existing units bear comparison with the best in the world, and the manner in which the cotton coming in from the fields is classified before ginning and handled to ensure homogeneity is an object lesson to other countries.

Confidence

An interesting light was shed during the Yom Kippur war upon the single-mindedness with which Syria attends to the needs of its raw cotton industry. Within the space of a few days, and at a stage when they were most needed to maintain shipments, several of the electrical generating facilities and a number of ginneries were almost destroyed by Israeli bombing.

Confidence in the ability to deliver against forward sales commitments is the essence of international commodity trading. Had it been appreciated at the time how great were Syria's difficulties, western buyers might promptly have sought alternative supplies elsewhere. Syria bought and installed western capital equipment with commendable secrecy and despatch, resuming shipments after the war with scarcely any delay. If grandmother's mangle was hastily dusted down to do service in some districts, that fact was certainly never apparent in the quality of cotton shipped abroad.

Perhaps the most noteworthy aspect of Syria's cotton achievements since nationalisation of the trade has been the respect which it has built up among western clients for the adoption of reasonable market policies, and for adherence to the decisions taken. Anyone who has been resolute enough to essay telex or telephone communication with Aleppo will have some concept of the difficulties that face the cotton marketing authority. While it may occasionally be convenient to suffer a diplomatic communications blackout when a buyer is exceptionally tiresome, it must frequently be mortifying to discover that one's carefully compiled urgent message to a prospective client has arrived in a form indistinguishable from the results of the 3.30. Aleppo nonetheless manages to deal precisely with such notoriously troublesome matters as letters of credit and shipping marks, and to impart credibility to the time-worn assertion that the organisation is there principally to please the buyer. In the rare difficulties that have arisen when that principle has seemed to conflict with Government diktat determined by national emergency, the buyers' rights have been stoutly defended in Damascus by the cotton fraternity, on the very laudable theory that therein lie the country's own best interests.

Latest reports from the International Cotton Advisory Committee suggest that the 1976-77 season may be disappointing for Syria, with a significant decline in output forecast at a time when domestic textile production should be increasing with three big spinning mills under construction, including an open-end spinning plant.

Nevertheless the outlook for cotton producing countries is generally favourable, with the natural fibre having fought off competition from oil-based synthetic competitors in a much more determined manner in recent years. In consequence of the better demand, cotton prices have risen sharply, and this in itself must be of great benefit to the Syrian economy.

By Our Commodities Staff

Development

CONTINUED FROM PREVIOUS PAGE

was in general better than before with quarterly reports on projects having to go to the Prime Minister, indicating progress and the cause of any delays. But apart from the haphazard selection of projects, determined often by political considerations, the process put severe strain on the economy, causing inflation and congestion and stretching manpower resources.

Syria's manpower problem is probably less serious than in many other developing countries but that is hardly a consolation. Considering the state of war with Israel which has been in existence for 28 years the level of education and services is relatively high and the number of trained and experienced Syrians is impressive.

Hampered

But those who work in Government service are poorly paid and hampered by bureaucratic procedures and political pressures. The rich oil States in the region are a constant lure to any official who wants to improve his financial position and though it is difficult for key Syrian officials to leave the country those who are persistent enough can normally obtain permission.

Much more worrying is the number of talented men who leave Government service to join the private sector—not to undertake large projects or join big concerns, for these do not exist there, but often just to run shops or undertake small scale property development, occupations usually more lucrative and less restrictive than bureaucracy.

The Government is frequently urged from almost all quarters to pay civil servants higher salaries in order to retain the good officials and last year pay increases were made, though not enough to beat inflation. But pay rises would not weed out the inefficient and lazy bureaucrats: rather the reverse. Syria is facing one of the problems which State-run economies have usually tackled without much success.

Another possible solution would be to increase the role of the private sector, now booming as never before under Baathist rule. New shops more glamorous than before, are continually opening in the main towns. Considerable fortunes are being made in property development, especially since the arrival of the Lebanese refugees; a good flat in Damascus now costs about $20,000 a year to rent.

The private sector has established itself in small textile factories and light industry, and much of the construction industry is in private hands. The private sector's advocates point proudly to the fact that the stadium for the recent Arab Games in Damascus was built on time by a Syrian company in about a year—to the astonishment of almost everyone.

But that is about as far as it goes. Large sums of capital are rarely involved (almost all agricultural production is in the private sector, but is all on small scale). Efforts in recent years to persuade Syrians to repatriate fugitive capital have had some success, with net inflows of £S63.2m. in 1974 and £S67.8m. last year, but entrepreneurs are afraid to commit themselves too heavily to the regime. Its change of heart is too recent and the rigid ideologues of the Baath party, whose thinking has not modified in pace with that of some members of the Government, are highly influential and broadly disapproving.

Breakthrough

The Prime Minister, General Khleifawi, recently said that the private sector should reduce its conspicuous consumption of imports by investing in industry. As statements go this was something of a breakthrough but it remains to be seen what happens in practice. The Government appears anxious to encourage private foreign investors to establish plants in Syria but there is so far little sign of this happening.

Private sector caution and red tape have strangled the development of the free zones which are supposed to include industries oriented for export. The Government has, however, signed an agreement with Saudi Arabia guaranteeing the export of capital and protection against nationalisation, and this could be a prelude to more Arab investment.

Ironically, the cutback in State investment implicit in the revision of the plan will leave greater room for private investment, which was allocated about 20 per cent. of the investment under the £S54bn. strategy. State investment was to have been split into three equal portions among agriculture and irrigation; industry, electricity and minerals; and services and infrastructure (including roads, railways, schools, health, etc.).

The indications now are that the third group will be increased. This is not just for political reasons (it is naturally politically attractive to try to alleviate some of the poverty and drabness of life in the villages and the poorer sectors of the towns) but because better services are needed if the proposed industrial and agricultural expansion is to take place, and if the flow of skilled manpower is to be stepped up. Syria's population is growing by 3.3 per cent. a year and pressure on facilities (especially on overcrowded schools) is increasing all the time.

The fact that the Government has taken this decision suggests that a more comprehensive approach to planning is being adopted. Syria has realised the inadequacy of its own planning mechanism and is beginning to turn to non-Syrian specialists for advice. But however good the advice obtained, the battle to implement it will have to be fought by the politicians.

J.B.

A better deal for the tourist

FEW COUNTRIES can have more tourist attractions and fewer tourist facilities than Syria. There are beautiful mosques, magnificent castles, unspoilt beaches, intriguing markets and splendid classical ruins, yet only a relatively small number of intrepid travellers get to see them.

Syria effectively opted out of the boom in world tourism that has taken place in the past decade. After the 1967 war, entry to the country became increasingly hard and the drop in the number of visitors, combined with the pressure that the private sector was already under, discouraged any substantial investment in tourism. But since a decree of 1972, and with increasing rapidity since the 1973 war, Syria has been trying hard to encourage tourism. It is no longer difficult to get into Syria (you can usually get a visa at the airport): the problem for the visitor, and the bottleneck delaying the expansion of tourism, is finding a hotel room for the night.

The number of tourists entering Syria has increased steadily since 1973, when 450,000 came, reaching 618,000 in 1974 and 680,000 last year. More than half of these were from other Arab countries and only a small percentage from Europe and North America. A recent report commissioned by the Government showed that over the past 16 years tourists had grown in number by 400 per cent., yet the number of hotel beds had risen by only 25 per cent., and now stands at about 18,000.

The problem is aggravated by the Lebanese refugees, making it doubly difficult to get a hotel room: often visitors have to reserve their rooms on a day-to-day basis, even if they are staying for a week or more. Many of the Arab summer visitors to Syria take flats and houses rather than hotels but the Syrians know that if they are to get more Western tourists and their hard currencies they must have more hotels.

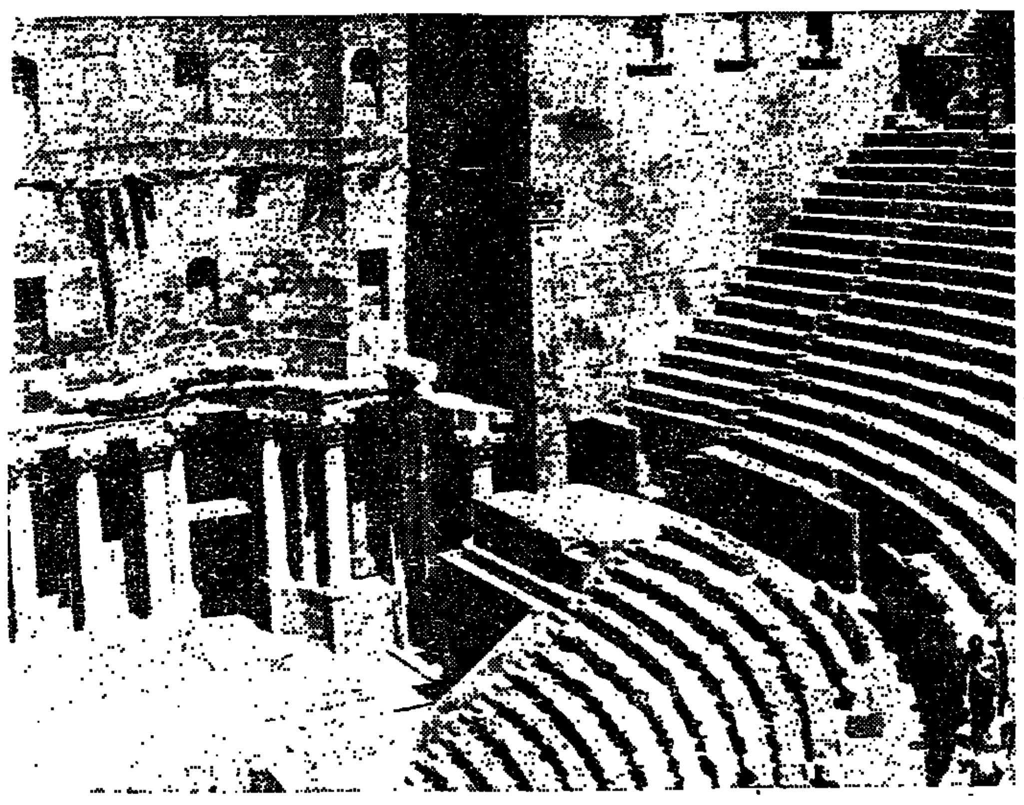
Hotels under construction or already agreed upon should increase the number of beds in Syria by about 1,500 in the next two years or so. These include the recently opened Meridien in Damascus, which has 400 beds, a soon-to-be-completed Sheraton (350 beds); and Meridien Hotels in Aleppo (250 beds), Latakia (300) and Palmyra (250). These hotels though often financed by Western loans, will be largely owned by the State and operated under franchise by the respective hotel chain companies. Other projects in the pine-line for Damascus include a Mercure Hotel (owned by the City of Damascus), a Novotel (Syrian Arab Airlines) and a Holiday Inn (Syrian Assurance Association).

Smaller

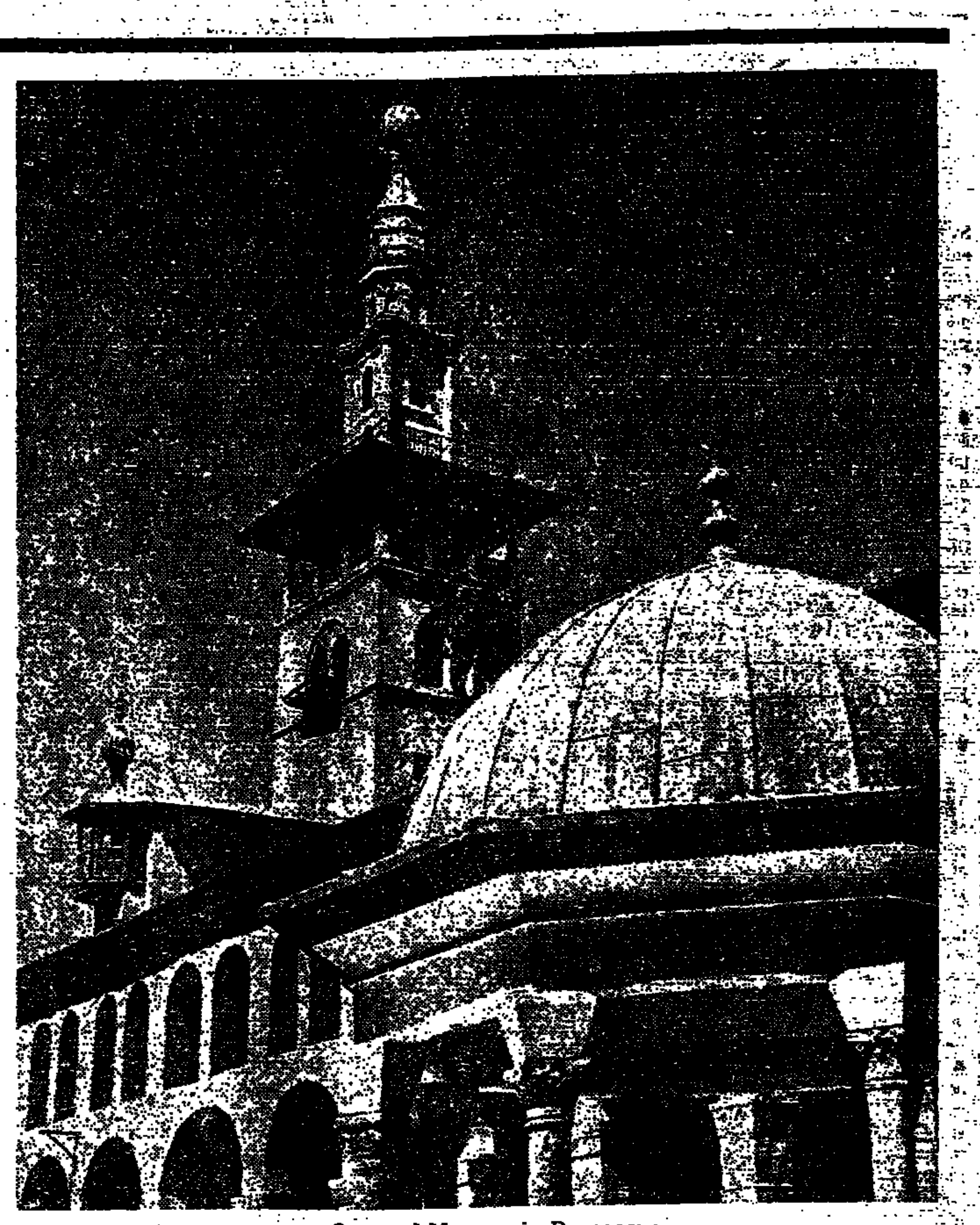
According to the Ministry of Tourism only the Government can be expected to commit itself to these large-scale projects, but its aim in general is to encourage the private sector to invest in smaller hotels, possibly in partnership with outside Arab finance which is being encouraged to come in by tax holidays and customs concessions. Western investment in tourism is permitted only under special decree. The successful International Hotel in Damascus, the first of the new wave of hotels, is owned by four Syrians, and Kuwaiti interests are financing the building of a Novotel at Homs and a Mariotte in Damascus.

In the next five years or so Syria aims to have 15,000 additional beds — 5,000 in Damascus and 10,000 outside. These will include beds at four tourist villages which are projected for the Lattakia-Tartous area, where the mountains sweep down to the sea and make a beautiful tourist area not unlike the coast of Lebanon. These villages are to be put out to tender for private management but will be owned by the Government.

With a reasonably good infrastructure and a fairly experienced construction industry it is not difficult to get the actual building of hotels in Syria under way but the Government admits that many Syrians are afraid of the prospect of nationalisation (despite Government reassurance) and are reluctant to commit their capital. As hotel building speeds up other trappings of the tourist industry will have to follow. Damascus has many fine restaurants but so far there are few elsewhere. Such small items as good quality postcards are hard to find at some of the major sites. Only when sufficient hotels have been built will Syria promote its attractions abroad on any scale.



The Roman amphitheatre at Bosra in southern Syria.



Omayad Mosque in Damascus.

The consultants' report to the Government made it clear that a major improvement in the existing hotels is vital if Syrian tourism is to have any chance of success. Apart from a few hotels in Damascus, and a very small number elsewhere, most Syrian hotels are in need of total renovation.

One hotel I stayed in at Latakia provided a room much of which flooded to a depth of nearly half an inch when I ran the taps in the basin, and it was obvious that the defect had been in existence for a long time. At an hotel in Aleppo I was given the nastiest room I have ever had in three years of travel in Africa and the Middle East, and was treated by the dining room staff with a degree of surliness which must have taken years of practice.

With the Lebanon refugees putting intolerable strain on hotel room vacancies, this is probably a bad time to visit Syria, though it should be stressed that there is no security risk. But when the Lebanon war has died down, and before hotel building has expanded tourism to such an extent that visitors become thick on the ground, there will be a halcyon period for the experienced traveller to see Syria at its best.

Immense

Tourism in Syria is still conceived on lines established in the days of the Grand Tour. If you visit Palmyra, the ruined classical city in the desert, immense and marvellously preserved (it is a good bus or taxi trip for the day from Damascus) a French-speaking guide will probably spend two hours or more taking you round, maybe on your own, and will give the most expert description of what you are seeing and its history.

Even in the most popular months, in the spring and autumn, few of the places you visit are likely to be crowded, a fact which is reflected in the high quality of much of what is one sale in tourist shops in the Damascus and Aleppo *souks*, each an essential visit for every tourist, while if you go to Bosra, the superb Roman amphitheatre in southern Syria, you may have the stage to yourself while you test the excellent acoustics with a barely remembered Shakespeare soliloquy.

Syria has so many clasical, Arab and Crusader remains that is difficult in a short space to mention even the essential places for the tourist to visit. Damascus is worth several days' stay, and its Omayad Mosque is one of the best examples of Islamic architecture in the world. One should definitely go to Aleppo with its citadel, great mosque and hundreds of covered alleys and tiny lanes teeming with donkeys and chaos. Hama, to the south of Aleppo, is famous for the immense wheels which lift water out of the meandering Orontes, with a groaning of wooden axles. The little streets of the old Moslem quarter are delightful.

My favourite site in Syria is Krak des Chevaliers, probably the greatest Crusader castle in the Middle East. You see it first from 20 miles or more away, perched on a steep hill, and as you get closer more and more of its massive complex of ramparts becomes visible. Finally you find yourself inside a maze of passageways leading up to courtyards, towers, great halls and chapels in which it is easy to think that the Knights Templar abandoned the place only yesterday.

From the top you can almost see the Mediterranean to the west on a clear day, and to the east the view stretches across the hills towards Homs and the Syrian desert beyond, while below the castle cluster villages and vineyards of a kind which cannot have looked too strange to the castle's European occupants. Modern Syria, with its sugar beet factories and State irrigation projects, seems a very long way away.

J.B.

ECONOMIC VIEWPOINT BY SAMUEL BRITTAN

All about that so-called world slowdown

SUBJECTS which appear to be entirely different may be closely connected; indeed they are often the same subject, much to the chagrin of administrators whose work depends on compartmentalisation.

Some current examples are:—
The agitation about the slowdown of world recovery, and the campaign for "reflation" in the U.S., Germany and Japan. The campaign is spearheaded by a predictable group led by the OECD, 16 economists from different countries who met recently at the Brookings Research Institute in Washington, some (but not all) Eastern seaboard U.S. academics, and of course the politicians and officials of Britain, Italy and France—the economies in greatest trouble.

The argument about whether to introduce massive import controls into this country. The running here is made by a group of Cambridge economists, with political backing from the Left of the Labour Party. But they are advising the wrong party. The Conservatives are the traditional party of protection; and although the party's present posture is free trade with exceptions, older ways of thinking could easily re-emerge in times of difficulty.

The recent uproar over benefits for the unemployed who may receive more than people in work. This is wrongly presented as a moral argument: compassion versus the scroungers. The real argument is that the structure of pay, tax and benefits is a disincentive to work and thus raises the sustainable (or so-called "natural") unemployment rate.

The connection between the subjects is not that obscure. The intense agitation about the pace of world expansion reflects more than the normal concern about the movement of the business cycle. The fundamental belief of those who urge more expansion is that there is a vast amount of unused industrial capacity and unused manpower left over from the fathomless depths of the last recession—supposedly the worst since World War Two, if not since the beginning of time.

Similarly, the real case of economists like Lord Kaldor when they argue for an alternative strategy based on import control is that industrial production could easily and safely be boosted by up to 20 per cent. if the demand were there. The argument simmers on in an unsatisfactory fashion, partly because the Government side does not meet his point head-on, but takes refuge in a profoundly unsatisfactory distinction between the real economy and financial constraints.

Import controls, which at most switch demand from one country to another, cannot, however, be the answer to an alleged world shortfall of demand. This could be remedied only by the world stimulus which the "Brooking," and OECD economists are demanding. Any residual British problems could, if the Kaldor diagnosis is right, then be tackled by the "old Cambridge" method of expanding domestic demand and allowing the sterling exchange rate to float freely, that is sink.

The main reason for disputing both the international and domestic diagnoses of the "reflaters" has nothing to do with mystical financial constraints. If these were all, they could be readily changed by a combination of inflation accounting, indexation and monetary expansion—at least in those countries where investment is not restrained by political fears.

The query is whether there really is as much slack to be taken up from the last recession as the conventional indices suggest. The most favourable period of the business cycle for price behaviour is the late stages of the recession and the early recovery period. Yet in this period inflation has been running at 8 per cent. in the OECD as a whole (and nearly 15 per cent. in the U.K.). Even in the U.S. there has been some acceleration of consumer prices from the 5½ per cent. rate of increase in the first half of 1976 to 6 per cent. in the third quarter and a *more marked* acceleration of wholesale prices.

Some people blame the worldwide increase in the rate of unemployment at which inflation begins to accelerate onto collective bargaining. But this hardly explains why the sustainable rate of unemployment should have deteriorated (that is, become higher) in so many countries with strong and weak unions, militant or co-operative unions, or even where strike activity is effectively banned.

On the other hand, the increase in social security payments relative to post-tax pay has been common to many different countries. There has been a gathering body of evidence that if the cost of not working is reduced, less work will be done. Higher benefits may well be a sensible way of taking out the fruits of economic growth in the affluent society; but it should not be surprising if the unemployment rate goes up as a result.

At a conference I attended in September in Vancouver, organised by the Fraser Institute, evidence was presented from many different countries of the link between benefits and unemployment rates. Professor Martin Feldstein of Harvard—no reactionary and, indeed, one of the best of the Carter advisers—has written several papers showing that these calculations minimise the effect of benefit on unemployment. It would be the easiest thing in the world for Whitehall to get hold of Feldstein papers and reproduce his calculations for the U.K.

The Department of Employment's recent study in the October Gazette has been criticised for overlooking effects of earnings related supplements which lead to more frequent rather than longer unemployment spells (see, for instance Page 49 of John Flemming's *Inflation*, Oxford, 1976) and also for inadequate treatment of tax. The Department's experts have their replies; but one must at some stage use one's own judgment.

Successive incomes policies have also raised the sustainable unemployment rate by pricing people out of jobs. The combined effect of the Heath pay norms and thresholds and the £6 flat rate has been estimated to equal that of a 30 per cent. increase in the prevailing minimum wage; and the effect of minimum-wage laws on U.S. unemployment is extremely well documented. Public policy to narrow differentials has not been confined to the U.K.; and even without official interference it takes time for the wage structure to adapt to rapid changes in inflation rates.

There are other reasons apart from labour market changes why it may not be possible to catch up with growth lost during the last recession. The revolutionary changes in the level and structure of energy prices may have rendered a lot of industrial capacity obsolete, or at least less adapted to the new cost patterns; and there may be, as a result of the world-wide profit squeeze, simply not the capacity to provide full employment at anything like customary levels of real wages.

THE WORLD SLOWDOWN

Real GNP

Percentage changes from previous periods at annual rates. Seasonally adjusted.

	U.S.	Germany	Japan	U.K.
1975				
First half	−5.5	−7.2	0.8	−0.3
Second half	7.7	4.6	3.5	0.1
1976				
First quarter	9.2	6.6	13.2	6.8
Second quarter	4.5	2.7	4.4	0
Third quarter	4.0	3.0	4.0	n.a.

Source: Morgan Guaranty/CSO

FOUR U.S. RECOVERIES

Cumulative % change in:

Recession Troughs:	Real GNP (Six quarters after Recession Trough)	Real final sales (Six quarters after Recession Trough)
1975—First quarter	+9.6	+6.8
1970—Fourth quarter	+8.5	+7.9
1961—First quarter	+9.2	+7.5
1958—Second quarter	+8.7	+6.5

Source: Bank of New York

In spite of the disappointment expressed at the recovery, real GNP in the U.S. and Japan in the third quarter of 1976 were about 10 per cent. above the recession low and in Germany about 7 per cent. In the U.S. it was over 2 per cent. higher even than in the peak of the previous boom of 1973; in Japan it was 7 per cent. higher and Germany 1 per cent. higher. These figures are consistent with a once-for-all setback to the growth of productive capacity in the early 1970s. If such a setback is treated as at least a possibility, the slowdown shown in the first table becomes a shade less alarming.

After an unsustainable spurt at the beginning of 1976 growth decelerated to 3 per cent. to 4 per cent. in the U.S., Japan and Germany in the third quarter of the year. Is this a temporary slowdown, a shift to a more sustainable expansion rate, or a harbinger of a new recession, as the OECD fears?

The U.S. as usual supplies most of the thermometer readings and the crystal-gazing. A couple of weeks ago it was fashionable to suggest that the third quarter GDP would be revised upwards and to point to the strength of investment intentions. Now a very slight fall in October industrial production is being used as ammunition by those who believe the sagging hypothesis. But this day-to-day see-sawing will get us nowhere. American banking economists do not share the OECD's recession fears (irrespective of whether they favour a stimulus or not) and Fred Deming of the Chemical Bank sees a recovery to 5 per cent. growth by 1977.

It is less speculative to look at what has already happened. The second table shows that the recovery has not been abnormally small — if anything it has been slightly greater than in the corresponding periods of previous cycles. One can, however, worry that an abnormally large proportion of the recovery has been in stock building and an abnormally low proportion in final sales.

If there were a strict four-year cycle, then the bottom of the next U.S. recession would be early in 1979 and the downturn would begin in 1978. But there is no such regularity. The 1970-75 U.S. cycle was slightly more than four years, the 1958-61 one rather less than three. Between 1961 and 1970 there was nothing that the Bank of New York could identify as a clear recession trough, although there was a modest slide in early 1967.

In the U.K., the cyclical pattern was disrupted over the period 1967-71. The year 1976 has many similarities to 1968, when an incipient recovery was aborted by the very necessary fiscal and monetary measures to make the Callaghan devaluation effective; and the economy slid into the 1971-72 recession without experiencing a real boom. An exact parallel cannot be expected, but another double-bottomed recession is possible before final recovery.

Some international economists, whose views I respect, were a little cross when I wrote a few weeks ago that the more gradual the world recovery, the shallower the next recession was likely to be. Conversely, an attempt to put too much steam into the recovery could lead to a much sharper recession.

There is certainly no room for dogmatism about the forces which have raised unemployment rates the world over and made industrial capacity indices misleading. But the fact from which we cannot escape is that world inflation is already very high and tending to get higher when conventional calculations show large unused capacity. This suggests (a) that a conventional demand stimulus either would not work or would work only for a short period at the expense of trouble later and (b) that Finance Ministers and even Heads of Government can no longer determine output and employment by the stroke of a pen. Their meetings will be more successful if they abandon this illusion.

Letters to the Editor

Tyne and Wear Metro

om The Editor,
ilway Gazette International.

Sir, — Obviously, continued icking of work on the Tyne d Wear Metro by BR's train ivers makes its cancellations Mr. William Rodgers, Transrt Secretary, more probable lovember 15), but this is not e main reason why the fate Britain's largest rail investent project hangs in the ılance.

Last June civil servants were ked by the previous Transport inister to make a fresh praisal of the metro's likely venue and operating cost. In light of this appraisal Mr. dgers told T. and W. County uncil on October 19 that the e for continuing with conuction work had not been de out.

l has since emerged that the simistic forecast of future tro deficits prepared by DoT cials is based on four assumpns: (a) that the planned reangement of bus routes to d the metro would not take e; (b) that extravagant BR nning rules would be applied; that public transport patron in the area will decline rply as fares are forced up line with DoT policy; and (d) t replacement of the present diesel trains by the metro ıld attract no new passengers.

Needless to say, these assumpns are hotly disputed by the senger transport executive e they completely ignore the cept of fast, frequent superns fed by both cars and buses nging people right into the rt of urban centres, instead o the periphery where many BR's stations are located. As happens, the new tunnels red to achieve this are already per cent. complete.

ow Mr. Rodgers has appary put forward the incredible gestion that—after writing ;70m. on the metro—a further n. should be spent tarting the existing BR services! By e mysterious alchemy, this presumed to attract 16 per more passengers although and W. County Council has ady said many times that e lines cannot be integrated nomically with the buses, and will not pay grant to keep n open.

ocal railmen might, even at late stage, have agreed to their blacking if they really ght their jobs were at stake. now Mr. Rodgers has not threatened to stop the ro more effectively than any king could: he has given n added (if false) cause to eve that their trains will run ever under BR management only they hold out a little ger.

ard Hope,
set House,
nford Street, S.E.1.

Assets but no returns

m Mr. C. Beney.

—The Duke of Edinburgh's arks were timely. It is not he public climate of opinion needs changing for innors but that of industry itself. n asset manager for a large puter firm and have been vating and entrepreneuring several years for it and ently produce over £100,000 annum profit after all costs overheads.

espite this my company offers a maximum increase of £3.20 ek next May, 15 months after last increase. This is not personal to me either: some 10 per cent. of employees (who happen to be near the top of their "grade") have the same limit and even these in the middle of the grade cannot get a £4-a-week increase however good their performance. It is next to impossible to get enthusiastic about increased output or to work very long hours under these conditions.

C. Beney.
12, Woodlands Road,
Bushey, Herts.

The British shirt

From Mr. M. Newble.

Sir,—I would like to refute the opinion of Mr. Len Murray and his colleagues that imports are the cause of most of our evils. I own a chain of quite successful large shops and small stores built up from my army savings of £120. For 12 months I have completely stopped selling men's shirts that are of British origin becaue I have no alternative.

When you reach a certain size you enter into a field of fire from the top multiples and often opposition is not worth the dissipation of energy while resisting. For example, I buy shirts at £3.90 each which including VAT would sell at £4.99. In two instances my supplies have been discontinued because the large multiples concerned have sold at £5.99. My supplies are not severed by formal letter but the representative is advised to be discreet and forget to call. Alternatively the specific styles I order are usually not available.

Two years ago I approached two local factories in order to buy 1,000 shirts of a running style but I was refused because 10,000 was the minimum—I wasn't important enough. Last year these people were prepared to see me but my loyalty was not to be bandied with. Loyalty is one of my failings. Would Mr. Len Murray's loyalty remain with British manufacturers who are only available when large British multiples pull back their contracts because trade is temporarily bad? Anyway I am no longer bothered because through servile allegiance to the latter most British manufacturers are impotent and stale.

If imports are cut back on the excuse of competition, British clothing will rocket in price for, due to devaluation, low price exports and shortage of import quotas, the ball will remain in the court of the very large multiples who now have almost complete control of both British and foreign imports.

Finally, if I was in the predicament of Mr. Len Murray and struggling against a flood of unemployment, I would strike out for the opposite bank, where the originality, growth and courage of the smaller man may prove his best friend. We have tried "bigness" which has failed, so now let us try commonsense and have faith in British individuals There is still time to allow small acorns to grow into mighty oaks.

M. Newble.
34-37, Silksworth Row,
Sunderland.

Ending the arms race

From Mr. F. Viktorov.

Sir,—Your paper in its editorial of October 28 expressed dissatisfaction with what the Financial Times described as an insignificant reduction of defence expenditures in the Soviet budget for 1977. We, in the Soviet Union, would certainly prefer these expenditures to be cut far below their present level of Roubles 17.2bn. or 7.2 per cent. of the budget.

This would, of course, make it possible to switch resources thus released for constructive purposes: development of the Soviet economy and the continued increase of people's living standards under the new five-year plan. In fixing military expenditures, however, the USSR Supreme Soviet cannot leave out of account the role which the military-industrial complex and the political circles it commands play in the life of the West—the U.S., above all.

The continuing arms race in NATO countries, the ambition to manufacture more types of weapons, a show of force all across the European continent from the northern to the southern flank of NATO, as in the case of the recent "Autumn Forge" exercises, the swelling of military budgets are all factors which compel the USSR to maintain her security at the required level.

What the USSR and the other Warsaw Treaty countries are, in fact, doing is to slash military expenditures without a reciprocal move by the opposing side. It was several years ago that the Soviet Union called for agreement to reduce military budgets of permanent members of the UN Security Council by 10 per cent. and to use some of the savings for aid to developing nations. This proposal was approved by the UN General Assembly, but has not yet been put into effect. At the most recent session of the General Assembly the Soviet Union again proposed talks to be held on military budget-reduction, suggesting that agreement might be reached both on a 10 per cent. cut and on a smaller one as the first step to be taken as early as 1977.

Acceptance of this initiative could hold off the present unending rise of military expenditures of many countries and get it replaced by a practice of their systematic reduction. So far this is the practice of the Soviet Union and other socialist countries alone. A cursory review of the budgets of NATO countries is enough to show that their military expenditures are not falling even by a fraction of a per cent. On the contrary, they keep growing.

Your paper chose to take the Soviet Union's attitude to international negotiations, such as the Vienna talks on East-West troop reductions, rather than the latest budget figures, as evidence of its renewed willingness to slash arms expenditures. But this willingness has been reaffirmed by the Soviet government on a number of occasions and, notably, by its recent concrete proposals which would reduce the strength of the opposing armed forces without any damage to either of the parties concerned, nor is the Soviet Union shutting the door at the Vienna talks to a discussion of some counter proposals. We are prepared, Leonid Brezhnev stressed once more at the Plenary Meeting of the CPSU Central Committee, for further joint constructive search (but precisely constructive, honest, not aimed at unilateral advantage), for negotiations with our partners at any level, including the very highest.

This desire for constructive and honest search runs through the Soviet Union's memorandum on questions of ending the arms race and for disarmament, submitted to the 31st session of the UN General Assembly. In drawing up this sweeping and concrete disarmament programme, the Soviet government strove to take into account the views of many nations and to make it as realistic as possible. It is the duty of every participant in the international dialogue to move on, at long last, from a discussion on ending the arms race to some practical action.

F. Viktorov.
2, Putinkovsky, Moscow.

Combined heat and power

From the manager,
Total Energy Projects,
Midlands Electricity Board.

Sir, — I have read with interest the letter from Dr. Lucas (November 12) regarding the arguments in favour of combined heat and power schemes.

In the Midlands Electricity Board we wholeheartedly support the proposal for parallel operation of local CHP plant with the public supply system, and I would refer him to a paper presented by Mr. G. T. Shepherd at the 1971 Total Energy Conference at Brighton in which the obvious advantages of this method of operation were given

I also agree with the method put forward by Dr. Lucas which uses the bulk supply tariff as a basis for calculating the value of power produced locally in a combined scheme. It is felt that the proposal outlined by Dr. Lucas is an adequate starting point. In fact, we have already made offers to supply heat to selected groups of industrial customers situated in geographically convenient locations in the Midlands, and the technical and economic bases we have used accord very closely with those propounded by Dr Lucas.

J. D. Lycett.
P.O. Box 8, Mucklow Hill,
Halesowen, West Midlands.

Declining rain forests

From The Head of Information, World Wildlife Fund

Sir,—We were delighted to see the article by Nigel Carson (November 3) on the unexploited values of little-known tropical plants. The value of such plants to man provides vital arguments for conserving adequate samples of all the world's plants and types of vegetation so that these untapped resources, many of which will be of great scientific and economic importance, are not lost

The world's tropical rain forests, described as the "richest expression of life on this planet" and teeming with different plants and animals, are disappearing at an estimated rate of 49.2 acres per minute (FAO figures). Once cut down, many rain forest areas do not regenerate and their unique complement of plants is lost forever. For this reason the World Wildlife Fund and the International Union for Conservation of Nature are making great efforts to fund surveys of endangered animal and plant species in rain forest, and to establish ecological guidelines for their economic development.

Realising man's dependence on the plant kingdom, not only for food and oxygen but also for timber, drugs, medicines and numerous other products the continual well-being and survival of the rain forests and the plants they contain is of the utmost importance to us all.

Janet Barber.
29, Greville Street, E.C.1.

To-day's Events

GENERAL

Cabinet meets and is expected to discuss recent amendment of Government Bills by House of Lords.

European Parliament sits, Luxembourg.

Negotiations open between EEC Commission and Norwegian Government representatives on reciprocal fishing agreement, Brussels.

House of Keys elections, Isle of Man (first day).

Airlines flying North Atlantic routes discuss fares, Geneva.

Mr. John Methven, CBI director-general, speaks at its North Western Region annual dinner.

British Overseas Trade Board annual report.

TUC delegation ends four-day visit to Spain.

Sir Robin Gillett, Lord Mayor of London, attends Grocers' Company dinner, Grocers' Hall, E.C.2.

London Chamber of Commerce seminar on Contracts of Employment, 69, Cannon Street, E.C.4, 3 p.m.

PARLIAMENTARY BUSINESS

House of Commons Consideration of Lords amendments to Bills.

House of Lords: Health Services Bill, third reading. Education Bill, Comons message. Weights and Measures Bill, consideration of Commons amendments.

OFFICIAL STATISTICS

Department of Environment publishes five per cent. sample of building society mortgages completed (3rd quarter).

COMPANY RESULTS

Beecham Group (half-year). International Paint (half-year). Land Securities Investment Trust (half-year). Redland (half-year). Wedgwood (half-year).

COMPANY MEETINGS

Atlantic Assets Trust, Edinburgh, 2.15. French (Thomas), Manchester, 12.30. Prestwich Parker, Atherton, Lancs., 11. Startrite Engineering, Hollingbourne, Nr. Maidstone, 11.45.

EXHIBITIONS

Caravan and Camping Holiday Show, Earls Court.

International Kitchen and Bathroom Show, Olympia.

Public Works and Municipal Services Exhibition, National Exhibition Centre, Birmingham.

OPERA

English National Opera British premiere of Ginastera's "Bomarzo," Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

Royal Ballet perform Dances at a Gathering, Afternoon of a Faun, and Voluntaries, Covent Garden, W.C.2, 7.30 p.m.

MUSIC

New Philharmonia Orchestra, conductor Riccardo Muti, with Alirio Diaz (guitar), play works by Tchaikovsky (Fantasy Overture, Romeo and Juliet); Rodrigo (Concierto de Aranjuez); and Shostakovich (Symphony No. 5 in D minor). Royal Festival Hall, S.E.1, 7.45 p.m.

Thomas Furi (violin) and Gerard Wyss (piano) play music by Handel, Prokofiev, Franck, and Kreisler. Wigmore Hall, W.1, 7.30 p.m.

Peter Katin gives piano recital of music by Ravel, Liszt, Debussy, and Rachmaninov, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

Takayoshi Wanami (violin) and Geoffrey Pratley (piano) in programme of Beethoven, Prokofiev, and Bach, Purcell Room, S.E.1, 7.30 p.m.

SPORT

Tennis: Benson and Hedges tournament, Wembley. Basketball: Scotland v. China, Meadowbank.

COMPANY NEWS + COMMENT

Woolworths ahead 5.3% to £23m. so far

AN INCREASE of 5.3 per cent. in *pre-tax profits from £21.71m. to £22.85m.* is reported by F. W. Woolworth and Co., for the nine months ended October 31, 1976. Turnover, excluding VAT rose 17.1 per cent. to £459.33m.

Sales and profits have continued to run in line with budgets, the directors say. As usual, the level of consumer spending in the final quarter will determine whether the whole year results will be satisfactory, but in view of the present economic uncertainties it is not possible to make an accurate prediction of the likely outcome.

Pre-tax profits in 1975-76 totalled £36.25m.

A quarterly analysis of the results shows that pre-tax profits in the third quarter rose by 7.0 per cent. to £10.71m. compared with the same quarter last year when profits had shown a very substantial jump. In the second quarter this year profits rose by 5.8 per cent. and in the first quarter by 1.2 per cent. The rate of profits increase has, therefore, accelerated *steadily*, through the year.

Trading profit margins have shown a similar improvement at 7.5 per cent. in the third quarter compared with 5.5 per cent. in the second quarter and 3.9 per cent. in the first. This follows the normal pattern, the directors say.

The final tranche of the group's *Swiss borrowings is due for* repayment next February, but was covered forward during the quarter.

	Nine months 1976 £000	1975 £000
Turnover*	459,333	392,161
Trading profit	30,207	27,859
Depreciation	4,117	3,711
Trading profit	26,090	24,117
Interest paid	3,693	2,634
Profit properties sales	457	193
Profit before tax	22,854	21,706
Tax	12,200	11,300
Net profit	10,654	10,406
Exchange loss†	1,986	1,112
Balance	8,668	9,294

* Excluding VAT £26.99m. (£22.6m.).
† On foreign loan loss adjustments in respect of overseas subsidiaries net assets.

Statement Page 34
See Lex

LAW LAND LOAN REPAYMENTS

LAW LAND has repaid £2.9m. of bank and other loans in foreign currency.

Part of this came from the proceeds (£958,000) of the company's interest in the industrial site at Diegem, near Brussels.

INDEX TO COMPANY HIGHLIGHTS

Folkes Hefo midterm standstill

REPORTING first-half 1976 pre-tax profits little changed at £1,939,000, against £1,932,000 on turnover of £26.4m. (£26.3m.), the directors of engineers John Folkes Hefo say second-half profits are expected to be higher and the maximum permitted final dividend is anticipated.

After tax of £1,008,000 (£1,005,000) first-half earnings are shown at 1.9p (same) per 5p share and the interim dividend is up from 0.33p to 0.36p net. Last year's total was 1.11019p—pre-tax profits came to £3.96m.

• comment

First-half turnover and profits at Folkes Hefo are barely changed but the underlying subsidiaries have produced very difficult results. Profits of the forging side have fallen £950,000 to about £500,000, largely because of close association with the depressed shipbuilding industry and an upturn here is not expected for a year or two. The other seven major activities have shown better profits, helped by direct and indirect exports, especially in metal treatment and engineering. *The second half should bring a* significant improvement since the downturn in forging is being contained and the other areas continue to move forward. The pre-tax total for the year could exceed £4.2m. to put the shares at 15½p on a prospective p/e of only 3.5. In view of the good profitability (earnings were 19 per cent. of shareholders' funds last year), the rating seems low compared with the historic engineering p/e average of 6.1. The prospective yield is 12.4 per cent.

Statement Page 34

Increase at Ocean Wilsons

PRE-TAX PROFITS up from £967,852 to £1.29m., on higher turnover of £17.25m. against £14.94m., are reported by Ocean Wilsons (Holdings) for the half year ended July 31, 1976. Last year, profits totalled £1.97m.

U.K. tax charge for the first half is £97,739 (£255,821) and overseas tax, £370,811 (£182,547). An amount of £691,767 (£463,318) is retained.

As known, the Treasury has agreed that the company is an overseas trading company for all practical trading purposes and therefore exempt from current controls on dividends. An increased interim dividend of 2p (1p) has already been declared and the directors are now forecasting a final of 3p compared with 1.30574p previously.

Manganese Bronze tops £1.2m.

TURNOVER for the year to July 31, 1976, of Manganese Bronze Holdings expanded from £20.5m. to £24.3m. and, after interest of £704,379 against £784,145, pre-tax profits advanced from £0.82m. to £1.23m. At half-way a fall in profits from £309,000 to £254,000 was reported.

Tax takes £380,366 (£343,384) to give full-year stated earnings of 8.07p per 25p share compared with 4.02p. Extraordinary debits absorb £24,342 against £3,176,561. The dividend is held at 0.25p net.

• comment

Manganese Bronze has staged a strong comeback from its first-half downturn (18 per cent. pre-tax) lifting second-half profits by 90 per cent. pre-tax for an overall increase of 49 per cent. The improvement has apparently been across the board. The building side has staged a recovery from the downturn which began in the previous year while the engineering side has pushed ahead on the back of strong demand from the motor industry. Within this division there have also been signs that the subsidiaries taken over from BSA in 1973 are at last beginning to make a realistic contribution. However, orders, although currently higher than at this time last year, are no better now than at the end of last year and this suggests that the general growth in demand is beginning to fall away. Also the group must still be highly-geared and its failure to increase its dividend, which at 12½p yields only 3.1 per cent., does not suggest very much confidence in the longer-term prospects.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Acrow	int.	1.25	—	1*	—	2.03*
Barton Transport		11.56	—	10.51	11.56	10.51
Brown Shipley	int.	3.5	Jan. 10	3.5	—	7.54
Chamberlin and Hill	int.	1.1	Dec. 14	1	—	2.22
Cope Sportswear	int.	0.32	—	0.29	—	0.59
Dartmouth Invs.	int.	0.33	Jan. 7	0.3	—	0.66
John Folkes Hefo	int.	0.36	Jan. 28	0.33	—	1.11
Harcros	int.	0.4	Jan. 12	0.28	—	1.45
Hicking Pentecost	int.	2.3	April 1	2	—	3.55
Jenks and Cattell		0.98	Jan. 15	1.05	1.73	1.58
F. H. Lloyd	int.	1.46	Jan. 7	1.33	—	4.32
Lon. Prudential Trust	int.	0.9	Dec. 20	0.84	—	2
Long and Hambly		0.91	Jan. 4	0.84	1.29	1.17
Manganese Bronze		0.25	—	0.25	0.25	0.25
Morland		7.65	Jan. 10	6.63	11.15	10.13
P. Panto	int.	0.77	Jan. 6	0.77	—	1.54
Property Partnerships	int.	0.75	Jan. 13	0.7	—	1.43
Scottish Cities Inv.		4.5	Dec. 23	4	6.75	5.75
Unilever Ltd.	1st int.	4.18	Dec. 17	3.8	—	13.87
Unilever NV	int.	Fls.3.20	Dec. 17	2.93	—	7.65
Wight Construction	int.	2.75	Dec. 20	2.58	—	6.11

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

F. H. Lloyd up 34% in six months

ON EXTERNAL sales, up from £27.18m. to £30.75m., F. H. Lloyd Holdings lifted pre-tax profits by 34 per cent. from £1.74m. to £2.34m. in the half year to October 2.

Order books are slightly above the level of a year ago, says the chairman Mr. Leslie Carrier. With the steel division beginning to show signs of some improvement and with an anticipated better foundry performance in the second half the overall results for the year should continue to reflect an improved level of profits, he tells members.

First-half earnings are shown to be up from 4.2p to 4.5p per 25p share and the interim dividend is raised from 1.33p to 1.46p net. Last year's total was 4.3232p paid after pre-tax profits of £4m.

Trading profit shows a 15 per cent. increase to £2.28m. The *slightly lower profit of the foundry* division was more than offset by improved results from the engineering and steel divisions.

The position has been further improved by utilisation of the positive bank balance which arose largely from the capital issue made in March, 1976. The interest charge of £248,000 in the first half of last year has been converted into a gain of £6,000 this year.

The group has acquired Morleys (Birmingham), a small steel stockholding business established by Mr. Max Berner, 61 years ago. He and his co-directors will continue with the company for the time being. The acquisition represents an extension of the steel division activities.

• comment

January's £2.8m. rights issue at F. H. Lloyd has definitely enhanced this year's figures. At half-time, trading profits were 15 per cent. up, representing undramatic improvements in the steel and engineering divisions plus an element of stock profits. But, with last year's £250,000 interest charges turned into a small return from cash deposits, the pre-tax jump is 34 per cent. The comfortable cash position should also cover the £2½m. to be spent this year on capital investment in the foundries, which should also show better profits in the second half. So, on a normal 40/60 split between the two halves, final pre-tax profits should exceed £5.8m. This would give a p/e ratio of 3.4 on a share price of 62p, with the prospective dividend yielding 12 per cent.

Statement Page 34

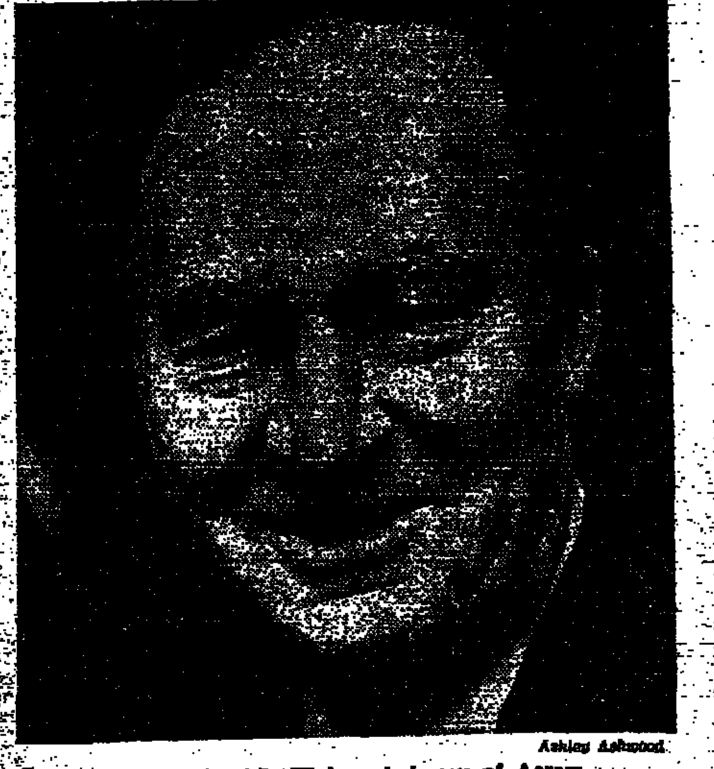
Hicking Pentecost progress

Textile makers and commission dyers, Hicking Pentecost and Co., reports pre-tax profits up from £163,716 to £192,952 in the half year ended October 2, 1976. Turnover increased from £3.2m. to £3.84m.

Earnings per share are 4.24p (3.67p) and the net interim dividend is raised from 2p to 2.3p. The previous total was 5.5486p from pre-tax profits of £410,076.

The first half profit is struck after interest of £26,508 (£21,693) but before tax of £100,800 against £85,600.

The group is operating within its financial facilities and is continuing with its programme of capital investment, the directors report.



Ashley Ashwood

Mr. William de Vigier, chairman of Acrow.

Acrow up £1m. to £4m. at midway

PROFITS for the half year to September 30, 1976, of engineers Acrow advanced from £3m. to £4.01m. subject to tax of £2.17m. compared with £1.68m. Turnover expanded from £51.13m. to £58.24m. with exports at £33.42m. against £28.09m.

The directors state that the factories are working to full capacity and this should result in another record year. Additional capacity is coming on stream at many factories from the beginning of 1977, they add.

The interim dividend is effectively *lifted* from 1p to 1.25p net per 25p share. Last year's total was equal *to 2.02881p* paid after record pre-tax profits of £8.03m.

• comment

Acrow *is* a third ahead pre-tax on a sales rise of 14 per cent. This level of profitability is largely explained by exports *which now account* for close on three-fifths of total turnover and where the weakness of sterling has been adding to the strength of margins. Both Coles (cranes) and Storey (pre-fabricated bridges) hold good orders, with the latter quoting 12 months delivery on some lines. The German operations are still losing money *and are likely to stay in* the red until 1978. But overall Acrow is probably going to push profits close to £10m. pre-tax this year, for earnings per share of about 8½p. At 53p the shares' prospective yield is a well-covered 6¾ per cent. Capital spending is again going to be substantial and working capital pressures are *rising*; but borrowings are probably going to emerge in line with tangible net worth by next March.

Statement Page 32

Barton's upsurge to £0.34m.

Taxable profit of Barton Transport *surged* ahead to a record £343,034 in the year to September 25, 1976, with most of expansion coming in the second half. For the last full year a profit of £48,702 was reported and at halfway this year there was a turnround from a loss of £45,054 to a £87,358 surplus.

Yearly earnings per £1.6 Deferred share are up from 4.47p to 35.47p and the dividend is lifted from 10.50624p to 11.55648p net.

Traffic receipts for the period were ahead from £3.78m. to £4.53m. Tax took £159,817 (£20,477) and the attributable balance was £182,000 (£26,842).

The directors state that fleet renewal has continued this year by acquisition of 27 new vehicles and it is the intention to expedite this policy as and when *future* circumstances permit.

The company is "close."

Progress at Chamberlin and Hill

Light grey iron founders, Chamberlin and Hill reports turnover up from £2.28m. to £2.62m. for the six months to September 30, 1976 and an increase in profits from £212,266 to £249,858, subject to tax of £129,926 against £110,378.

The interim dividend is 1.1p (1p) net per 25p share costing £24,640 (£22,400). Last year's total was 2.22p paid after pre-tax profits of £552,816.

The additional capacity recently installed at the Walsall Foundry, *is slowly being taken* up and while the general outlook is still very uncertain, the Board is confident that the company will gain substantially from the investment policy that has been implemented over the past few years.

Peek requests suspension

Peek Holdings, formerly Consolidated Commercial, has requested the suspension of its shares pending clarification of the company's position.

Peek Foods, the main subsidiary, has asked Lloyds Bank to appoint a Receiver to the company. Details are expected to be announced shortly of a reconstruction to bring the capital into line with the true position.

Peek announced a loss of over £1m. for its last fifteen month financial period. Mr. Leworthy, *chairman of the group, said* in the last report and accounts published in August that there were indications "that the corner from loss-making to profitability has been turned."

Harcros Trust

Revenue of Harcros Investment Trust advanced from £245,593 to £309,200 for the half year to September 30, 1976, before tax of £110,004 against £88,594.

The directors say second-half revenue should be similar to the £206,192 of the corresponding period last year.

The interim dividend is stepped up from 0.28p to 0.4p net per 10p share. Last year's final was 1.17p.

The net asset value per share is given as 46.42p (40.94p).

Luxury cruise for workers

IAN YATES, a sweets company which runs cash-and-carry warehouses in Manchester, Pontypool and Loughborough, is to spend £8,000 on taking its staff of 50 on a five-day luxury cruise next summer, to celebrate its 21st anniversary.

The cruise, which will include a day's sightseeing in Spain, is a way of thanking "a wonderful staff." Mr. Ian Yates, the company's founder and chairman said yesterday. The cruise leaves Southampton on June 3.

Leyland factory go-ahead

PLANNING PERMISSION has been granted for a foundry for British Leyland at Wellingborough, Northants, if smoke and fumes from the present factory are eliminated within a year of the opening of the new one.

Stockholders' Trust

Earnings per 25p share of Stockholders Investment Trust showed a reduction from 1.83p to 1.73p in the year ended October 31, 1976. The dividend is raised from the equivalent of 1.45p to 1.65p net, with a final of 1.025p.

OBITUARY

S. C. Johnson

Sydney Charles Johnson, who *for 12 years until this summer* had been the Chief Company News Sub-Editor of the Financial Times, died on Tuesday, three months after he had retired at the age of 65.

Johnny Johnson, as he was invariably known to generations of FT colleagues on the journalistic and the production sides, was born on August 13, 1911, and joined the paper in 1953 after 24 years with the Exchange Telegraph.

In the second half of his career with the paper he was responsible for the sub-editing of all the pages of reports and commentary on the flow of British company news and for supervising them through the subsequent production process.

The efficiency with which he completed this task—a prodigious one on busy nights—to the necessary close timetable was the admiration of colleagues. Fellow FT workers felt an equal affection for the warmth of his personality, which his briskness at his busy desk never hid, and for his extensive knowledge of company affairs.

Johnny became ill in the summer a very few weeks before he had finished his work for the FT and was due to retire. He was several times afterwards in St. Bartholomew's Hospital, but died at home where he had been for the past fortnight. He is survived by his wife Jean and his teenage children Nicholas and Jean.

The funeral will take place tomorrow, at Southend Crematorium at 3 p.m.

M.R.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£101½	830	AmricnMedInt.Inc.($)	915	......	Q24c	—	1.5	—
—	F.P.	—	£29	£21¾	Berry Pacific Fd US$1	£27	......	40c	—	0.8	—
80p	F.P.	17/9	70	58	Borthwick (Thos.) 50p	65	+2	b5.5	2.0	12.8	5.1
—	F.P.	—	£301¼	£235	Dentsply Int. Inc. ($1)	£265⅛	+1⅛	—	—	—	—
—	F.P.	—	£317⅛	£231⅛	Emhart $US1	£251½	−¾	Q$1.52	—	3.4	—
‡‡	F.P.	—	140	96	Tolux S.A. 11	140	+	—	—	—	—
—	F.P.	—	307⅛	291⅛	Utd.TechnologiesUS$5	£29¼	......	Q$1.20	—	2.6	—
—	F.P.	7/1	197	183	Willis Faber 25p	186	−5	b7.0	2.4	5.9	11.

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£98.5	F.P.	29/10	97½	97	Eastbourne Waterworks 9% Red. Pref. '83	97½	—
US$98	F.P.	—	$100	$98½	Gotaverken 8¾% Notes 1983	[illegible]	—
US$100	F.P.	—	LF99	LF98	Ind. Fund of Finland 9% Guar. Notes '84	LF99	—
US$100	F.P.	—	$100	$99	Kockums Mek 9% Guar. Notes 1983	[illegible]	—
KD98	F.P.	—	98KD	98KD	Korea Development Bk 9½% Guar. Bonds 1979	[illegible]	—
††£94	F.P.	4/2	98½	93	Mid-Sussex Water 8% Red. Pref. 1981	[illegible]	—
£97	F.P.	28/10	98¾	97	Mid-Sussex Water 14¼% Red. Deb. 1982	[illegible]	—
‡‡	F.P.	—	71	70	Newman Inds. 10% Cum. Pref.	[illegible]	+1
—	F.P.	28/1	107	98½	Tate & Lyle 13% 1994-99	106	—
£94½	10	—	10¾	10½	Tendring Hundred W'wks 9% Red. Pf. 1981	[illegible]	+¼
—	Nil	—	2	1	Trs-Ntl Coal Cp-Do-15½% Pty.Cv.UnDb1987/91	[illegible]	—
—	F.P.	—	75	75	Willis Faber 7% Cum. Pref.	75	—
£99	F.P.	19/11	99¾	98	York Water 15% Red. Deb. 1984	98	—

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	‡	1976 High	1976 Low	Stock	Closing Price p	+ or −
$A4	Nil	—	3/12	385	235	Broken Hill Props.	255	−
17	Nil	—	—	1½	½	Cray Electronic	1½pm	—
25	F.P.	23/10	11/12	31	28	Fairbairn Lawson	29	—
124	F.P.	1/11	17/11	129	119	General Accident	129	—
100	F.P.	29/10	10/12	128	101	Howden (Alexander)	127	−3
$A1.70	Nil	3/12	17/12	63	42	National Bank of Australasia	55pm	—
$A1.20	P.Pd	18/6	—	141	80	Western Mining	85	—
70c	F.P.	—	—	94	47	Woodside-Burmah	69	−1

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. *p* Pence unless otherwise indicated. *u* Forecast dividend: cover based on previous year's earnings. *M* Figures based on prospectus or other official estimate for 1979. *Q* Gross. *I* Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡ Issued in connection with reorganisation, merger or take-over. ◆ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). + provisional or partly-paid allotment letters. $ With warrants. ◆ After suspension. KD Kuwait Dinars.

Unilever 86% up so far

MAINLY REFLECTING a big improvement in Europe, third quarter 1976 combined profits of Unilever Ltd. and Unilever NV advanced by 31 per cent. to £153m. taking the nine-month total up to £405.3m.—an increase of 86 per cent. on the comparable period of 1975 and some 28 per cent. above the figure for the whole of that year.

After all charges and after taking in £27.4m. attributable to exchange rate differences, the balance attributable to the Ordinary holders emerges 139 per cent. ahead from £88.6m. to £211.3m.—Ltd £92.7m. (£57.4m.) and NV £118.6m. (£31.2m.)—of which £80.3m. against £50.9m. accrued in the third quarter—Ltd £37.1m. (£26.4m.) and NV £43.2m. (£24.5m.). Earnings per 25p of capital amounted to 56.88p against 23.96p.

Third quarter sales rose by 16 per cent. to £1.94bn. The directors explain that about half of this increase was accounted for by volume gains. While in the first two quarters of 1976 comparisons were with the poor corresponding quarters of 1975, comparisons from now on will be with periods which showed increasingly improved figures.

The most substantial improvement was in Europe where animal feeds, chemicals, detergents, and paper, plastics and packaging all did well. Edible fats also showed a good recovery.

In the U.K. and the Netherlands the major meat companies are still suffering heavy losses and the quarter's results include substantial costs of further reorganisation of The Wall's Meat Company in the U.K. already announced, the directors state.

Outside Europe profits in total were about the same as in 1975: UAC International did particularly well.

Much the greater part of earnings is in currencies other than sterling, they point out. Consequently the decline in sterling which accelerated during the quarter led to a substantial increase in results when expressed in sterling at the end-September exchange rates.

Similarly, the continued strength of the guilder against sterling and other weaker currencies causes results expressed in guilders to be depressed by about 10 per cent.

Interim dividends for 1976 are declared as follows:—for Ltd 7.46p (5.24p) and NV Fls.3.20 (Fls.2.93). Of Ltd.'s interim 4.18p per 25p share will be paid on December 17.

In gross terms this payment will represent an increase of 10 per cent. over the corresponding payment a year ago (3.80p), but is less than the dividend Ltd. has to declare in order to comply with the Equalisation Agreement. The increase in Ltd.'s dividend is largely accounted for by the fall, since last year, in the sterling/guilder exchange rate.

The balance of Ltd.'s 1976 interim, amounting to 3.28p per share, and the deferred balance of 1975 and earlier dividends amounting to 9.48p per share, making a total of 12.76p per share, will be paid when circumstances permit.

Statement Page 32
See Lex

Oxley Printing still sees profit in 1976

Oxley Printing Group is still expecting a return to profit for 1976 compared with a loss of £249,000 for the previous year.

In the first six months there was a group loss of £31,300 against a profit of £37,500 in the same 1975 period on a turnover of £7.64m. (£8.26m.). The 1976 loss is attributable to the printing and plate making divisions, whereas the 1975 result comprised a profit from those divisions of £91,800 from which is deducted losses attributable to companies which have ceased trading and extraordinary items of £54,300.

Mr. Michael Lewis, chairman, explains that the cost of reorganising the magazine printing plant and the other difficulties mentioned earlier were reflected in a loss during the first quarter. The group results show a profit in each of the second and third quarters.

After a tax credit £16,300 (£19,500 charge), the half year's net loss is £15,000 (£18,000 profit).

No Ordinary dividend has been paid since the interim of 0.8375p in respect of 1974.

Upturn at Cope Sportswear

Recovering from last year's problems, pre-tax profits of Cope Sportswear expanded from a depressed £91,119 to £150,000 in the first half of 1976. Turnover for the period rose from £1.62m. to £2.24m.

Accounts for the third quarter show that the momentum of the first six months has been maintained says chairman Mr. Sydney Cope.

Half-yearly earnings are shown to have risen from 1.43p to 2.34p per 10p share and the interim dividend is stepped up from 0.2934p to 0.3227p net. A maximum permitted final is forecast. Last year's final was 0.2934p when a £4,504 loss was reported.

Tax for the first half took £78,000 (£47,000) leaving the net balance up from £44,119 to £72,000.

The company has "close" status.

Further loss at Midhurst White

A loss before tax of £150,839 is reported by Midhurst White Holdings compared with a deficit of £150,531 previously. No dividend is recommended against a single net interim of 0.41p in 1974-75.

At halfway, the loss was £65,840 (£50,220 profit). The directors said then that there would be a further loss in the second half, but it was likely to be somewhat lower than in the first six months.

Loss per 10p share for the year is 2.65p (1.91p).

The directors say that while close contact is being maintained with the liquidators of Amalgamated Investment and Property Company, it is not possible at this stage to give any firm indication of the likely outcome of the liquidation in relation to AIP's 43.2 per cent. holding in Midhurst.

Principal activities of the group are property investment and development, and the manufacture of sand-lime bricks and lime products.

	1975-76	1974-75
	£	£
Total income	494,872	410,870
Prop. trading loss	389,410	195,080
Interest, etc.	443,301	322,795
Property outgoings	157,000	156,398
Loss	150,839	150,531
Tax	42,570	*11,688
Net loss	193,409	138,873

* Credit.

Confident outlook at Dawnay Day

THE CHAIRMAN of Dawnay Day Group, Mr. E. P. Hatchett says in his anual report that the group has regained its stability, but the achievement of the next objective—the rebuilding of profitability in all sections—may well take time.

In July the trading subsidiaries were budgeted to make a significantly higher contribution to group revenue in the current year. However the increase in interest rates coupled with the dereciation of sterling, makes it too early to forecast their results.

The results of the trading subsidiaries represented a return of a little over 10 per cent. on the assets employed at the end of 1975-76 but the directors are confident that over a period, this can be improved materially, Mr. Hatchett says.

Current trading of Tarket Life is up to expectations but the availability of any further surplus in the life fund will not be considered until the financial year-end, says the chairman.

While present conditions persist, it is not going to be easy to achieve profits from investment banking activities. Since the year-end, good progress has been made with asset realisations and an encouraging feature is that the group is much busier in the advisory field.

Walker & Staff profits rise

There was a steep climb in pre-tax profits from £34,889 to £61,495 by Walker and Staff Holdings for the six months to September 30, 1976. Earnings per 5p share rose from 0.7p to 1.3p.

The Board anticipates that the dividend for the year will at least be maintained. Last year's payment was 0.4675p net per share.

The liquid position of the group, wholesale distributors of engineering supplies, remains strong and advantage is being taken of the present high interest rates. The stock position is being held at a satisfactory level enabling the company to offer maximum service to customers.

Negotiations are still proceeding with the possible acquisition of the group's premises in Shoreditch.

	First half 1976 £	1975 £
Sales	920,045	721,669
Other income	16,364	10,969
Loan stock interest	5,456	5,455
Pre-tax profit	61,495	34,889
Taxation	31,977	18,142

Morland expands to £0.7m.

AN ADVANCE from £540,646 to £702,400 in group pre-tax profit is reported by Morland and Co., brewers, wine and spirit merchants, for the year ended September 30, 1976.

At half-way there was an increase from £236,486 to £302,474, which the directors attributed to a large rise in sales of the group's draught beers. They expected that trade for the second half would be comparable with the same period of last year.

Earnings per £1 share are up from 22.6p to 30.7p. The dividend is raised from 10.134p to 11.15p net, with a final of 7.647p.

Turnover increased from £5.15m. to £6.34m. Net profit emerged at £312,300 compared with £230,836, after tax of £390,100 (£309,810) but before an extraordinary credit of £26,602 (nil). £105,375 (£80,388).

NVT hopes of profitability

At the AGM of Norton Villiers Triumph chairman, Mr. Dennis Poore said it would be something like six to nine months before they knew how much cash there would be to work with.

He hoped the company was going to be a profitable concern, and added: "We hope there will be something for shareholders at the end of the day. We can't say what it will be, but we think it is worth working for."

Mr. Poore told the meeting about an agreement reached with Barclays Bank on limiting the group's liabilities under group cross-guarantees to the £600,000 already deposited with the bank and the charge on the freehold of the group's Shenstone property.

This was the first step towards identifying the unencumbered underlying value for shareholders, which was estimated at about £1m. so far, he added.

The chairman said that: "If all goes well we could end up with something like £3½m.," but that would be "an out and out maximum," he stressed.

Courtney Pope progress

FURTHER growth in the profits of Courtney Pope (Holdings) is forecast for the current year by chairman Mr. L. R. Courtney in his annual statement.

In the year to May 31, 1976, reported October 8, pre-tax profits recovered from £362,000 to £560,000 and the dividend is effectively raised from 1.762p to 1.938p net.

Mr. Courtney points out that the diversification, which the group now enjoys, provides a cushion when restrictions are imposed on sectors of industry and commerce

Acquisitions made by the group in the year under review further diversified activities and gave it a more flexible operation to more easily counteract market fluctuations in any one sector.

Throgmorton Trust is interested in 14.9 per cent. of the company. Meeting, Ashfield Road, N., on December 9, at 11 a.m.

Arbuthnot Latham higher

PROFITS OF merchant bankers Arbuthnot Latham Holdings for the half year to September 30, 1976, are at a higher level than for the same period last year, say the directors.

Interim dividend is lifted from 2.7p to 3.5p net per £1 share. The increase is to reduce disparity, the directors say. Last year's total was 8.283p from total net profits of £795,000.

The balance sheet shows (000s omitted) total assets at £128,471 against £101,541, including cash, British Government and local authority quoted securities, quoted investments, etc., of £81,430 (£59,373) and loans, advances and other accounts of £24,730 (£22,400); and deposits, etc., total

Downturn at Jenks & Cattell

ON SALES of £5.81m. compared with £5.4m., pre-tax profits of A. E. Jenks and Cattell fell from £339,426 to £284,849 for the year to July 31, 1976 after £21,000, against £54,000 for the first half.

The dividend total is raised from 1.57657p to the maximum permitted 1.734227p net per 25p share with a final of 0.984227p. A one-for-three scrip issue is also proposed.

The directors report that sales for the first quarter of the current year, up 40 per cent., are on target with the group sales budget of £8m.

The group's interests lie in metal pressings, steel washers, and garden and edge tools. It is proposed to change the name to Jenks and Cattell.

	1975-76 £	1974-75 £
Sales	5,813,623	5,397,282
Profit before tax	284,849	339,426
Tax	—	133,752
Deferred tax	132,078	56,350
Add tax adjustments	2,653	*12,862
Dividends	25,396	23,506
Retained	109,858	112,816

* Debit.

MINING NEWS

Gold output: a 10-year view

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA's gold output will fall "quite rapidly" after 1986 unless there is a spectacular rise in the bullion price or the (unlikely) discovery of an entirely new gold field, according to Mr. Dennis Etheredge, executive director and chairman of the Anglo American Corporation group's gold and uranium division.

Addressing the South African Institute of Management congress he reckoned that the Republic's gold production would be about 712 tonnes this year—some 4 tonnes above the 1975 output which was the lowest for 14 years—and he hoped that this rate would be at least maintained for the next five years.

Over the coming ten years, or so, Mr. Etheredge expected South Africa's production to be at the upper level of between 700 and 800 tonnes. But he anticipated that output would fall to about half of current levels at the turn of the century.

His view on the price of gold was that it seems likely to remain within a relatively narrow band of between $115 and $135 per ounce "for some time ahead," but he thought that the chances of an upward breakthrough are now greater than those of a downward slide.

He listed uranium as the most important of South Africa's other metals and considered that the country's production of uranium oxide could reach 8,000 tonnes a year by the next decade and would be mostly exported. Last year's output was 2,902 tonnes.

Yesterday gold continued to react on profit-taking after its recent advance. After opening at $131½ it closed $1¼ down on balance at $132. Meanwhile, a rule of thumb guide for prospective investors in gold shares is given in the following table which shows mine production costs per ounce of gold in the September quarter before allowing for capital expenditure.

Of diamonds, Mr. Etheredge saw "no great potential for expanding production in the short term" at South Africa's mines. He added that there were no plans to increase output at the Kimberley mines and said that current prospects for finding new ore-bodies in South Africa were poor. He thought that additional diamond production was likely to be greater in the countries surrounding South Africa.

WHAT IT COSTS

($ per ounce)

West Rand Cons.‡*	274
Durban Deep*	149
East Rand Prop.*	148
Loraine*	144
Sallies*	144
Venterspost	142
Vlakfontein†*	122
Stilfontein†*	112
Grootvlei	109
Harmony‡	108
Marievale	104
Welkom†	103
Leslie	100
Libanon	97
Western Areas	96
Doornfontein	94
Buffels‡	90
Southvaal‡	87
Vaal Reefs‡	84
Hartebeest‡	74
Kloof Gold	73
President Steyn	70
Kinross	66
Blyvoor‡	63
President Brand‡	61
Western Deep†	56
Western Holdings	54
Bracken	53
Winkelhaak	53
Free State Geduld	46
St. Helena	40
East Driefontein	39
Randfontein†	35
West Driefontein‡	33

‡ Uranium earner. † Potential uranium earner. * Receiving State aid.

Hudbay hits problems

The Toronto company, Hudson Bay Mining and Smelting, which is part of the Anglo American Corporation, had net earnings for the nine months to the end of September of $4.37m. (£2.7m.) or 44 cents a share. This compares with $16.36m. in the same period last year and marks a decline from the $7.26m. realised in the first half of the year.

Although low metal prices relative to costs, a slowdown in the North American economic recovery and higher financial charges all played a part in the decline, the major factor was a new production-sharing agreement with an oil subsidiary signed with the Indonesian Government. This could involve an extraordinary charge of $14m. on the net earnings for the whole year.

The agreement involves a payment to the Indonesian Government of $9.6m. this year by Trend Exploration, which is 57 per cent.-owned by Francana Oil and Gas, which in turn is 55 per cent.-owned by Hudbay.

WALK OUT AT IMPALA

In the aftermath of fighting which led to nine deaths at Impala Platinum's Wildebeestfontein mine last week-end, 1,000 black workers have walked out and are returning home in defiance of their service agreements. The total labour force at Impala is 9,500 men.

The company, which is part of South Africa's Union Corporation, said yesterday that conditions were quiet but police were remaining at the mine. The majority of black workers have not returned to work and out of a morning shift of 4,000 men, about 1,200 went underground.

A Union Corporation spokesman stated yesterday that production of platinum metals is unlikely to be significantly affected.

TONGKAH HARBOUR

The Malaysian-registered Tongkah Harbour Tin Dredging reports sharply reduced net profits for the year to June 30 at $M486,213 (£117,054), compared with $M1.3m. in the previous year. Production was badly hit by a strike lasting 2½ months at the company's Thailand operation. A second interim dividend of 6 per cent. on $M1 shares has been declared. The first interim was 5 per cent. Two interims of 8 and 15 per cent. were declared for the 1974-75 year. The shares were 42p yesterday.

NORTHGATE LOSS IN 3RD QUARTER

Canada's Northgate Exploration, whose base metal mining operations are in Ireland, reports a consolidated net loss for the 1976 third quarter of $307,000 (£193,630), equal to 5 cents per share, and a consolidated net income for the nine months of $13,000.

Comparative figures (restated) for the 1975 third quarter were a consolidated net income of $788,000, equal to 11 cents per share, and for the nine months ended September 30, 1975 a consolidated net income of $1,125,000.

The main reason for the 1976 third quarter loss was the termination of operations at the Gortdrum copper mine. In addition, the company's share of losses of associated companies increased from $200,000 in the third quarter 1975 to $548,000 in the third quarter 1976. These losses mostly relate to exploration expenditures expensed by associated companies.

Clement Clarke progress

ON TURNOVER up from £2.49m. to £2.92m., profits of Clement Clarke (Holdings) for the half year to June 30, 1976, advanced from 402,000 to 426,000, subject to tax of 223,000 against 204,000. Chairman Mr. J. H. Clarke says that performance for the full year should be extremely satisfactory.

Interim dividend is effectively raised from 0.7291p to 0.8125p net per 25p share. Total last year was equal to 1.7666p from pre-tax profits of £850,824.

Considerable increases in costs, particularly from the public sector, have been absorbed, says Mr. Clarke. Capital commitments have not been pruned and group retail prices have remained stable.

Optical retail sales have remained at a high level at both dispensing and ophthalmic branches, he adds.

BERRY TRUST

FOR THE year to August 31, 1976, pre-tax profit of Berry Trust Company shows a £21,000 contraction at £152,000.

Earnings per 25p share are given at 0.58p compared with 0.63p and the dividend is held at 0.625p net.

Figures relating to an associated company have not been consolidated in the profit and loss account. The net profit, after tax, amounted to £48,510 (£15,603).

Net asset value per share at August 31, including the full investment currency premium, amounted to 52p (47.25p).

Opposition to Sime Darby

BY OUR OWN CORRESPONDENT SINGAPORE, Nov. 17.

THE Malaysian shareholders of Sime Darby Holdings who wish to see more South East Asians on its Board may oppose the present management's proposal to increase the company's capital, market sources here suggested to-day.

A resolution on the agenda for the company's annual meeting on November 19 proposes to increase the authorised capital from £22.5m. to £27.5m. by the creation of 50m. shares of 10p each.

Sime's chairman, Mr. Jim Bywater, has announced plans to extend the group's activities in ways expected to involve expansion outside South East Asia. Some of the acquisitions will be accomplished by share issues, it is understood.

Market sources said that the Malaysian interests, represented by Rothputra Nominees, believed such a move would further dilute regional shareholdings in the company and make future control more difficult.

The sources added that the resolution would be opposed also on grounds that since 1973 Sime had been "spending good money to chase bad." This criticism is based on the fact that Sime's non-Far Eastern ventures had generally incurred heavy losses and had to be supported by profits made almost exclusively in the region.

Rothputra, believed to represent Pernas, the Malaysian State-owned concern which has at least 10 per cent. of Sime's shares, plans on Friday to propose three new directors, all prominent personalities in South-East Asia, to the Sime Board.

Acorn Securities

Current income estimates show that Acorn Securities Company should be able to at least maintain the dividend rate on income shares for 1976-77, says chairman Mr. I. A. Crabbie, reporting satisfactory progress in both income and capital accounts.

Net revenue before tax for the year ended August 31, 1976, was up from £125,194 to £150,244, with net earnings per 50p income share up from 6.02p to 7.38p. As reported on August 4, the net dividend is 6.63p (5.535p) net.

One-third of the company's portfolio is in overseas investments with Japan accounting for 20.3 per cent. (16.9 per cent.).

The trust's performance has been achieved against a background of increasing taxation and other restrictions. It was hampered not least, says Mr. Crabbie, by the imposition of 2 per cent. Transfer Stamp Duty in the U.K., which inhibits the switching of shares and impinges upon management performance. At present a 10 per cent. change in the trust's portfolios costs £7,000 in Stamp Duty.

Total assets were higher at £3.63m. (£3.54m.).

Meeting, Regis House, King William Street, EC, on December 7 at 2.30 p.m.

Advance by Long & Hambly

AFTER RISING from £129,000 to £258,000 in the first half, pre-tax profits of rubber and plastic moulders, Long and Hambly, finished the year to July 31, 1976 up from £263,302 to £539,734 on turnover of £9.77m. (£8.57m.).

After tax of £285,041 against £122,116, earnings are shown to be up from 2.58p to 4.65p per 10p share and, as promised, the final dividend is 0.9125p net for a 1.2875p (1.1725p) total.

Scottish Cities earnings up

Earnings per share of Scottish Cities Investment Trust increased from 6p to 7.2p in the year ended September 30, 1976, and the dividend is raised from 5.75p to 6.75p net, with a final of 4.5p.

Total income rose from £370,363 to £441,937 and revenue from £321,555 to £389,576 before tax of £141,750 (£116,684) and before a provision of £3,000 (nil) for the reduction of the investment in the subsidiary Tyne Power. The retained balance amounts to £14,200 (£7,245).

Unilever results

for the third quarter and first nine months of 1976, and the interim Ordinary dividends.

COMBINED RESULTS (£ millions)

Third Quarter 1976	Third Quarter 1975	Increase		Nine Months 1976	Nine Months 1975	Increase
1,936	1,676	16%	SALES TO THIRD PARTIES—Combined	5,658	4,962	14%
899	729		—Limited	2,571	2,105	
1,037	947		—N.V.	3,087	2,857	
164·8	124·3	33%	OPERATING PROFIT	433·3	248·4	74%
(6·6)	(2·4)		Non-recurring items	(10·0)	(5·7)	
1·4	2·7		Income from trade investments	4·1	4·4	
(6·6)	(7·8)		Interest	(19·1)	(28·1)	
(8·6)	(10·1)		Interest on loan capital	(25·8)	(25·7)	
2·0	2·3		Other interest	6·7	(2·4)	
153·0	116·8	31%	PROFIT BEFORE TAXATION	408·3	219·0	86%
(74·5)	(57·0)		Taxation on profit of the year	(195·6)	(113·7)	
0·7	(0·2)		Taxation adjustments previous years	(2·4)	0·4	
(9·6)	(8·7)		Outside interests and preference dividends	(26·4)	(17·1)	
(8·9)	(8·0)		Outside interests	(24·2)	(14·9)	
(0·7)	(0·7)		Preference dividends	(2·2)	(2·2)	
69·6	50·9	37%	Profit attributable to ordinary capital at rates of exchange ruling 31/12/1975	183·9	88·6	108%
10·7			Difference arising on recalculation of 1976 results at end September 1976 rates of exchange	27·4		
80·3	50·9	58%	PROFIT ATTRIBUTABLE TO ORDINARY CAPITAL	211·3	88·6	139%
37·1	26·4		—Limited	92·7	57·4	
43·2	24·5		—N.V.	118·6	31·2	139%
21·62p	13·73p	58%	Earnings per 25p of Capital	56·88p	23·96p	139%

As has been our practice the results for the quarter and the first nine months and the comparative figures for 1975 have been calculated at comparable rates of exchange being based on £1 = Fl. 5.43 = US$ 2.02 which were the closing rates for 1975. Profit attributable to ordinary capital for the current quarter and the first nine months has also been recalculated at the rates of exchange current at the end of September 1976 being based on £1 = Fl. 4.26 = US$ 1.66.

Sales were 16 per cent above those of the 1975 third quarter. About half of this increase was accounted for by volume gains. While, in the first two quarters of 1976 comparisons were with the poor corresponding quarters of 1975, comparisons from now on will be with periods which showed increasingly improved figures.

The most substantial improvement was in Europe where animal feeds, chemicals, detergents, and paper, plastics and packaging all did well. Edible fats also showed a good recovery. In the United Kingdom and the Netherlands the major meat companies are still suffering heavy losses and the quarter's results include substantial costs of further re-organisation of The Wall's Meat Company in the United Kingdom already announced.

Outside Europe profits in total were about the same as in 1975: UAC International did particularly well.

Much the greater part of earnings is in currencies other than sterling. Consequently the decline in sterling which accelerated during the quarter led to a substantial increase in results when expressed in sterling at the end-September exchange rates. Similarly the continued strength of the guilder against sterling and other weaker currencies, causes results expressed in guilders to be depressed by about 10 per cent.

DIVIDENDS

The Boards today declared interim dividends in respect of 1976 on the Ordinary capitals at the following rates which are equivalent in value at today's rate of exchange in terms of the Equalisation Agreement between the two companies:

LIMITED
per 25p Ordinary share 7.46p (1975: 5.24p)
NV
per Fl.20 Ordinary capital Fl.3.20 (1975: Fl.2.93)

In the case of NV the interim dividend will be paid on 17th December, 1976.

Of LIMITED's interim dividend, an amount of 4.18p per share will be paid on 17th December, 1976 to shareholders registered in the books of the company at the close of business on 2nd December, 1976.

In gross equivalent terms (ie after adding Advance Corporation Tax at the the current rate), this payment of 4.18p per share will represent an increase of 10 per cent over the corresponding payment a year ago (3.80p); but is less than the dividend LIMITED has to declare in order to comply with the Equalisation Agreement. The increase in LIMITED's dividend is largely accounted for by the fall, since last year, in the sterling/guilder rate of exchange.

The balance of LIMITED's 1976 interim dividend, amounting to 3.28p per share, and the deferred balance of 1975 and earlier dividends amounting to 9.48p per share making a total of 12.76p per share, will be paid, when circumstances permit, to holders of Ordinary capital now in issue registered at the time of payment.

For the purpose of equalising LIMITED's and NV's dividends under the Agreement, the Advance Corporation Tax in respect of any dividend paid by LIMITED has to be treated as part of the dividend. The figures now announced for LIMITED's dividends have been calculated by reference to the current rate of Advance Corporation Tax: if the rate is changed before payment of these dividends has been completed, the figures will be adjusted accordingly and a further announcement made.

17th November, 1976

This and future announcements of Unilever Quarterly Results will be reprinted in leaflet form. If you wish to be included in the mailing list for these leaflets please write to: Information Division, Unilever House, London EC4P 4BQ.

Brown Shipley Holdings Limited

INTERIM STATEMENT

The profit of the Group for the half year to 30th September, 1976 shows an increase over that for the same period last year.

Demand for credit remained low during the period but the profits of the Banking Group were well maintained, the result being an improvement over that for last year. This improvement should continue in the second half, particularly if recent indications are confirmed of an increase in demand for credit from our customers in the raw materials sector, where more sterling is required to finance the same real volume of trade.

Although the brokerage income of the Insurance Group has risen substantially, the effect of foreign earnings being a major factor, the profits continue to be dominated by increasing costs and the result for the whole year is not likely to reach the level achieved (before exceptional item) last year.

The Directors do not expect the combined results of the Group for the full year to be less than those for the year ended 31st March, 1976. They have declared an interim dividend of 3.5p. per share, payable on 10th January, 1977 to shareholders on the register on 10th December, 1976. Subject to unforeseen circumstances the Board expects to be able to recommend a final dividend that will bring the total for the year to 31st March, 1977, to the maximum permitted under the current legislation.

17th November, 1976.

Founders Court, Lothbury, London EC2R 7HE

Mills and Allen tops £1m.

TURNOVER FOR the year to June 30, 1976 of Mills and Allen International came to £15.01m. and pre-tax profits were £1.06m. This compares with £17.69m. and £1.43m. respectively for the previous 15 months.

Attributable profits of £11.000 (loss £289,000) are struck after tax of £808,000 (£809,000), minorities of £8,000 (£17,000), and extraordinary debits of £453,000 (£895,000).

Extraordinary debits include a substantial write-down in property values in respect of certain leisure centres in Wales and Scotland and undeveloped land in Cornwall.

The market value of these properties was stated in last year's accounts to be up to £338,000 below book value. In the absence of any recovery of property values in this sector, the Board has further reviewed the position and has decided to write off a total of £432,000 net of tax.

Again there is no dividend. The last payment was 4.1875p net per 25p share for the year to March 1974.

The company is a subsidiary of J. H. Vavasseur Group. Its interests lie in poster and cinema advertising, poster printing and studio management.

Lyndale in better shape

Conditions are not easy but Lyndale Engineering is in better structural shape than at any time before and well-poised to take advantage of any upturn in the economy, says chairman Mr. W. H. Hamer.

On turnover up from £6.53m. to £5.95m. the group's profits fell sharply from £489,012 to £198,252 for the year ended June 30, 1976.

As reported on October 16, a final of 1.1375p net per 10p share made the total dividend 1.8525p (1.7875p). There were waivers on 1.84m. of the 4m. shares.

Although demand for engineering products was by no means buoyant and the loss-making steel stockholding activity was discontinued, other companies in the group produced reasonable profits. Some are planning to increase production and profit in the current year and export sales, which totalled £775,604 (£432,520), continue to show an upward trend, says Mr. Hamer.

Net liquid funds, represented by bank overdraft and cash, decreased by £443,864 against an increase of £455,376 in 1975.

Meeting, Birmingham, on December 9 at noon.

CORNERCROFT

Shareholders in Cornercroft, the manufacturer of motor accessories, pumps and agricultural equipment, are advised to "take no action yet" by the requisitioners of an EGM to be held on December 16, in connection with several resolutions, one of which calls for the removal of the chairman, Mr. A. W. Hartwell.

Mr. Denzil How, Mr. Peter Wakefield and their supporters, who have requested the EGM, state that a circular giving their reasons as to why the shareholders should vote in favour of all the resolutions will be sent out shortly. Until shareholders receive this circular they should ignore the proxy cards that have been sent out by the Cornercroft Board.

Advance by Great Portland

GROSS RENTAL income for the six months to September 30, 1976 of Great Portland Estates expanded from £3.13m. to £3.74m. and net revenue before tax advanced from £1.19m. to £1.45m.

Group revenue available for appropriation, however, fell from £831,000 to £769,000 after an increased tax charge of £717,000 (£613,000) and a considerably lower figure—£32,000 against £254,000—of transfer from capital reserve to equal net outgoings attributable to properties in the course of development. Earnings are shown at 2.75p (3.05p) per 50p share.

The interim dividend is 1p per share (same). Last year's total was 3.5465p paid after pre-tax revenue of £2.86m. from earnings of 6.2p.

	Half-year 1976 £000	1975 £000
Rents receivable	3,737	3,128
Ground rents	193	262
Prop. expenses and admin.	534	407
Exceptional repairs	344	238
Debenture interest	704	704
Bank interest	363	221
Mortgage interest	105	105
Share of associate's loss	40	—
Revenue before tax	1,454	1,190
Tax	717	613
From capital reserve	32	254
Net revenue	769	531
Dividend	280	273

Hensher Furniture

In his annual statement the chairman of Hensher (Furniture Trades), Mr. Arthur Hensher, says the group is currently trading at a slightly lower level than last year in common with the rest of the upholstery industry, but reduced overheads should improve margins.

While the present political and economic climate makes forecasting impossible, "we should now be euipped to face trading conditions as they arise," he tells members.

As reported on November 4 pre-tax profits rose from 130,645 to £391,600 in the year to March 31, 1976, and the dividend is 1p (0.75p) net per 10p share.

A statement of source and application of funds shows an increase in bank and cash balances of £345,134 (£14,697 decrease).

The chairman says the result was achieved in a difficult year and despite further disappointing results from the new operation at Crumlin in South Wales.

The Board decided to close the Crumlin factory last May and move the George Hensher production to Mountain Ash, which has a good record of quality and productivity. This move has now been largely completed and the factory and land at Crumlin, of which Hensher owns the freehold, is now on the market for sale or leasing.

Meeting, Great Eastern Hotel on December 9 at noon.

Better prices give Golden Hope confidence

CROPS AT Golden Hope Plantations for the first four months of the current year are in line with expectations and, although selling prices are outside of Board control, in a somewhat better world economic climate than last year, another satisfactory result is expected, says Mr. F. W. Harper, chairman.

Referring to palm oil prices he reports that the level of $490 touched by mid-July proved to be higher than the market could sustain but with the current price around $440 and with sentiment continuing to be fairly optimistic the group can reasonably expect that palm oil will provide the group with a satisfactory financial return. Also, rather better prices are now being secured for palm kernels and copra.

As regards cocoa prices these have tended to climb steadily during the past 12 months or so, and record levels have been reached in recent weeks. The market strength is due to these being only a small excess of supply over demand last season and to current reports of poor prospects for the forthcoming main crops in Ghana and Nigeria. The chairman says that these factors, coupled with news of extensive damage to the Brazilian crop, add strength to the belief that there is unlikely to be any major reversal in the overall trend.

In the year ended May 31, 1976 group pre-tax profits fell from £7.54m. to £6.79m.

During the year the group planted 3,365 acres—1,418 rubber; 1,435 oil palms; 442 cocoa; and 70 coconuts. For the current year the planting programme is—rubber 1,584 acres; oil palms 1,205; cocoa 30; and coconuts 178.

In addition to the heavy outlay on plantings the group re-invested almost £2m. in capital items in Malaysia during the year from internal resources. The current year development programme foreshadows an expenditure of some £2.7m.

Plans were announced earlier this month for a merger of the group with London Asiatic Rubber and Produce and Pataling Rubber Estates (all related through shareholding and management links with the Harrisons and Crosfield group) and a transfer of their residence for tax and exchange control purposes to Malaysia. The H and C stake in Golden Hope is 11.7 per cent.

Meeting, 1-4 Great Tower Street, E.C., December 13 at noon.

Chairman's statement Page 36

Brown Shipley progress

PROFITS OF merchants bankers and insurance brokers, Brown Shipley Holdings for the half year ended September 30, 1976 show an increase over the same period last year and the directors do not expect group combined results for the current year to be less than those for 1975-76.

The net interim dividend is maintained at 3.5p per £1 share and a maximum permitted total is anticipated. The previous total was 7.54p when net profits were £1.31m.

The directors say demand for credit remained low during the first half but the profits of the banking group were well maintained, the result being an improvement over that for last year.

This improvement should continue in the second half, particularly if recent indications are confirmed of an increase in demand for credit from customers in the raw materials sector, where more sterling is required to finance the same real volume of trade.

Although the brokerage income of the insurance group has risen substantially, the effect of foreign earnings being a major factor, the profits continue to be dominated by increasing costs and the result for the whole year is not likely to reach the level achieved (before exceptional item) last year.

Statement Page 32

Edge Tool trebles at halftime

TREBLED pre-tax profits of £675,000 are reported by Edge Tool Industries for the six months to October 2, 1976. This already represents an advance of £14,000 on the whole of last year.

Results for half year include those for the Brazilian subsidiary, which was not consolidated in the corresponding period. Trading profit for the six months to September 30, 1975, would have amounted to £360,000 after minorities:

	Half year 1976 £'000	1975 £'000
Sales	5,729	2,326
Trading profit	*804	237
Interest, etc.	129	12
Pre-tax profit	675	225
U.K. tax	164	92
Overseas tax	708	5
Minority profits	—	3

* After charging minorities of £112,000.

The company which manufactures hoes, jigs, tools and agricultural implements is a subsidiary of Eva Industries.

LAND AND MERCANTILE

Mr. Wallace McKenzie, official liquidator of Land and Mercantile Securities, states the liquidation is in its final stages but until settlement in respect of the sale of 29-33, Jamaica Street, Glasgow, is received the liquidation cannot be closed.

There will be a dividend to Preferred creditors but no dividend will be paid to Ordinary creditors. A meeting of creditors is fixed for December 9.

Eucalyptus ahead but warning on year

ON TURNOVER of £6.45m. against £5.14m., pre-tax profits of Eucalyptus Pulp Mills advanced from £1.21m. to a record £1.6m. in the first half of 1976 and despite substantial increases in Portuguese tax net profits were also the best ever at £0.8m. (£0.72m.). Earnings are shown to be up from 17.9p to 19.9 per 25p share.

Results for the second half will reflect both curtailed production at the northern mill due to the summer drought which affected most of Western Europe and to shipping delays: thus they will be down on the first half. Moreover, the higher direct taxation will have a bearing on results and it is likely that the net profit will be less than in 1975, when the figure was £0.91m. after tax of £0.72m.

The Joint and Several Guarantees, referred to in the accounts for 1975, have now been reduced to £482,000.

As mentioned at the AGM in July, certain of the company's forest lands have been illegally occupied. The new Portuguese government has stated that illegally occupied lands will be restored to their legal owners and the group may be able to repossess its lands during the present planting season.

The operating subsidiary has made an application to the Portuguese Authorities to remit to the U.K. an interim dividend and provision has been made for a payment of 1.75p (1.5p) net per share.

A further announcement will be made when the remittance is received. Last year's final payment was 3.5p.

ABERDEEN TRUST

Aberdeen Trust reports revenue for the year to September 30, 1976 of £1.06m. compared with £0.97m., struck after tax of £0.62m. against £0.56m.

The final dividend is 2.858p net per 25p share raising the total from 3.5p to 4.025p.

The net asset value is given as 144½p (134p) per share.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Beecham, J. Billam, E. Chalmers, Cocksedge, Cullens Stores, Highgate and Job, International Paint, Land Securities Investment Trust, National Carbonising, Northern Securities Trust, Norwest Holst, Selection Trust, View Forth Investment Trust, Witan Investment.

Finals: John Carr (Doncaster), James H. Dennis, Peak Investments, Rand Selection, Talbex.

FUTURE DATES

Interims—	
Dunhill (Alfred)	Nov. 24
Evans of Leeds	Nov. 23
Fowler (D and J)	Nov. 23
Kennedy (Allen)	Nov. 19
Monks Investment Trust	Nov. 24
Normand Electrical	Dec. 9
West Bromwich Spring	Nov. 19
Finals—	
Atlanta, Baltimore and Chicago Regional Investment Trust	Nov. 23
A.N.Z.	Nov. 29
Fourth City and Comm. Inv. Tst.	Nov. 26
Kelsey Industries	Dec. 7
Lloyds and Scottish	Dec. 8
Wearra	Dec. 6
Whessoe	Dec. 2

* Amended.

Epicure back in profit

A net profit of £11,876 is reported by Epicure Holdings for the year ended June 30, 1976, compared with losses of £122,170 in the previous year. At half-way, losses had been reduced from £45,202 to £10,080.

The year's profit is struck after a tax credit of £28,206 (£4,921) and extraordinary credits of £18,371 (£776) including £16,628 net surplus on the sale of the Empress Restaurant.

The directors recognise that following a period of rationalisation, there is need to expand the group's earnings base and to this end they have been reviewing investment opportunities. This review is still at a preliminary stage.

In accordance with this philosophy, the company has entered into an option agreement at nominal cost whereby during the next 12 months the company may acquire a 35 per cent. holding in a private engineering company which has developed certain machinery which is being tested to establish its technical efficiency.

Setback for Ash Spinning

FOR THE six months to September 30, 1976, pre-tax profit of cotton spinners and textile manufacturers Ash Spinning Company shows a £96,720 decline at £27,945.

The directors explain that with the exception of the chemical division there has been a drastic decline in consumer demand and the company has had to accept business at low prices in order to keep production as high as possible.

All sections are doing their utmost to contain increased costs. However, the rise in the price of raw materials together with the high interest rates make it impossible to compete with imported low priced foreign yarns and achieve an acceptable margin of profit, they add.

First-half earnings per 25p share are given at 1.51p compared with 1.55p and the interim dividend is held at 1p net. Last year's total payment was 3.125p from profits of £245,289.

	Six months 1976 £	1975 £
Turnover	2,312,546	1,997,327
Depreciation	24,723	29,259
Interest	26,363	17,932
Pre-tax profit	27,945	124,665
Taxation	15,900	65,295
Net profit	12,045	59,370
Exceptional items and minorities	—	46,933

PR 11/76 E

BIDS AND DEALS

National Carbonising £0.56m. acquisition

National Carbonising has bought all but one company in Automatic Oil Tools from the group's receiver, who was appointed three *weeks ago, for £561,000.* The appointment of a receiver to AOT, which owes the Department of Energy £¾m. in the form of an unsecured long-term loan, followed suspension of the company's share price on October 20 at 30p, at which price the company was capitalised at £742,500.

Of the purchase price, £231,000 has already been paid and the remaining £330,000 will be paid on February 28, 1977.

Net tangible assets of the new company, formed by the receiver, are £561,000 and comprise certain fixed assets, stocks and work in progress and the business formerly carried on by AOT and three of its subsidiaries — Electronic Flo-Meters, Rothwell AOT and Rothwell Valve (AOT). The deal also includes the capital of AOT Italy SRL and Electronic Flo-Meters Incorporated (USA), formerly owned by the AOT group.

Excluded from the transaction is Dynamco AOT, in Scotland, which National Carbonising has no interest in acquiring.

No estimate of net profit attributable to the assets acquired can be made, says National Carbonising, but it is confident that the acquisition has considerable potential.

Mr. Dennis Stroud, a director of National Carbonising, said yesterday that his company was investigating the prospects of a *merger with AOT at the time* its shares were suspended. He explained that the acquisition would "fit in beautifully with our gas-oil separation technology, as it is downstream from our recently acquired licensing agreement with Avery-Laurence to sell in the North Sea and Middle East."

MARDON BUYS

Mardon Packaging International, the U.K. based packaging group owned equally by BAT Industries and Imperial Group, has acquired the equity of Arnold Cellophane Corporation of the U.S. for an undisclosed sum.

Arnold Cellophane, which manufactures flexible packaging principally for the snack food industry, will be managed as a *subsidiary of Smith Brothers* (Whitehaven), a member of the Mardon Packaging Group.

LONRHO HAS 31% OF L C & W

Folowing the purchase in the market by Lonrho of 1.65m. Ordinary shares of London City and Westcliff Properties at 22p per share, it now owns 27.72m. shares (31.07 per cent.).

Keyser Ullmann confirms that resources are available to Lonrho sufficient to satisfy full acceptance.

CHLORIDE

Following the £17m. rights issue *by Chloride, Mr. James Gilchrist,* managing director of Chloride America, announced in London yesterday an agreement in principle to acquire all the assets of Pyrotector Incorporated, one of America's leading producers of fire detectors and alarms. The agreement is subject to approval by Pyrotectors' shareholders.

The acquisition of Pyrotector was foreshadowed in the Chloride rights issue document.

In a statement issued later, Chloride said the company will acquire total assets of Pyrotector for an initial cash consideration of $4.75m. with a further payment subject to a total maximum consideration of $6m., dependent on Pyrotector's performance over the first full year of operation.

The acquisition is to be financed from existing borrowing facilities in the U.S. and Europe.

TEACHER ACCEPTS

Allied Breweries' offer for Teacher has been accepted in respect of 4,471,469 Ordinary shares, representing 96.79 per cent. of the Ordinary in issue.

A statement has been received from the Office of Fair Trading confirming that the merger will not be referred to the Monopolies Commission and listing has been granted for the new Ordinary shares of Allied Breweries arising from the merger. Accordingly the offer for the Ordinary shares has become unconditional.

Acceptances for its offer for the Preference shares of Teacher had been received in respect of 903,756 shares, representing 90.37 per cent. The offer for the Preference shares has become unconditional.

But offers will remain open until further notice.

PRIEST'S OFFER FOR CRANE LAPSES

Benjamin Priest and Sons (Holdings) offer for Crane's Screw (Holdings) has lapsed in view of irrevocable undertakings to accept the offer on behalf of Armstrong Equipment, which, together with shares purchased to date by Armstrong, represent 51.9 per cent. of the Ordinary capital of Crane.

Acceptances of the Priest offer were received in respect of 865,614 shares representing 39.34 per cent. of the capital.

BICC

BICC has bought two companies, Derby Automation Consultants and Transmitton, which are leading U.K. specialists in the design and manufacture of control, automation and communications equipment for use in coalmines and other hazardous environments. Both are privately owned and based at Burton-on-Trent.

PILKINGTON

Pilkington has acquired the Lafarge Organisation's 75 per cent. interest in GRC, glass reinforced cement manufacturers, bringing the Pilkington holding to 100 per cent.

GRC will continue to be used as a training base for licensees of Cemfil, the Pilkington glass fibre used in GRC manufacture, and will continue to be responsible for the construction of GRC prototypes.

WARREN PLANTS.

Warren Plantations has bought 22 per cent. of Ilushin Estates, which owns 5,000 acres of rubber in Nigeria.

Menteith in strong position

IN HIS annual statement, the chairman of Menteith Investment Trust, Mr. J. A. Heyworth-Dunne says that the trust is now in a strong position, and he looks to the future with confidence.

The income account is well balanced and there are funds available to commit to the U.K. market should it fall still lower.

Similarly Menteith is in a position to benefit from any rise in overseas markets, he tells members, particularly in the U.S. and Hong Kong.

As known, revenue before tax increased from £251,754 to £264,937 in the year to September 30 and the dividend is 0.52p (0.45p) net per 25p share.

As at September 30, Ralli Securities held 36.2 per cent. of the equity and Briconin Investments 17.1 per cent.

Meeting 2, St. Mary Axe, EC, on December 9 at 10.15 a.m.

Seccombe Marshall downturn

The directors of bill brokers and bankers Seccombe Marshall and Campion state that trading during the first half of the financial year has been less profitable than in the equivalent period last year.

Unless there is a further rise in minimum lending rate, results for the second half should be considerably better, in which case it will be their intention to recommend the payment of the maximum permitted final dividend.

Meanwhile the interim payment is held at 6p net per £1 share. Last year's total was 13.821p after net profits of £359,433.

First half upsurge by Dundonian

The substantial improvement in performance achieved by Dundonian in 1975-76 has continued unabated, say the directors.

Pre-tax profits for the six months to September 30, 1976 more than doubled from £15,534 to £38,535 on turnover up from £37,135 to £118,338. Profits for all 1975-76 were £47,500 compared with £13,884 for 1974-75.

First half earnings are shown to be up from 1.02p to 1.58p per 20p share and the interim dividend is lifted from 0.8p to 1p net. Last year's final was 0.4p.

Subject to unforeseen circumstances, the Board is confident that the second half will show a further substantial increase in earnings.

In addition to other activities the second half will see progress on the "Peace of Mind" Plan, which was launched recently in conjunction with the Norwich Union. Considerable interest has already been expressed.

Approximately one year has elapsed since the introduction of the Shareholder Benefit Scheme, which enables shareholders owning not less than 500 shares to reclaim funeral costs up to a maximum of £150.

In view of the continuing increase in the cost of funeral services it has been decided to *raise the maximum entitlement* to £250 with effect from January 1, 1977. The company which is 53.1 per cent. controlled by MIL Securities, provides funeral services.

Glanfield has strong cash position

Confidence that the cash position of Glanfield Securities will help to meet the adverse effects of the economic recession is expressed by Sir Jack Lyons in his annual statement.

The Board has continued its policy of maintaining a high degree of liquidity. There are credit balances with the company's bankers and funds on short-term deposits are invested at high interest rates.

As already reported, profit before tax fell from £526,828 to £482,151 in the year to March 31, 1976 and Sir Jack explains that the downturn is wholly attributable to the non-payment of interest on the mortgage loan of £1m.

Scanner order from Siam

EMI-Scanner has scored its first success on the South-East Asia mainland with a £204,000 order placed by the Siam Medical Company. The comprehensive system to be supplied, built around the EMI-Scanner specialist neuroradiological tool will be delivered in December and installed for routine clinical investigations on patients displaying symptoms of neurological disorders.

RESULTS AND ACCOUNTS IN BRIEF

ABERDEEN INVESTMENTS—Net revenue half year to September 30, 1976 £19,979 (£18,631) after tax £11,316 (£10,205). Interest 0.5p (0.75p) already announced. Net asset value per 25p share 42.64p (42.23p).

AOKAM TIN (Incorporated in Malaysia)—The company has declared a second interim dividend of 16 per cent. (equivalent to 27.692 per cent. gross) in respect of the year ended June 30, 1976, payable January 7, 1977. Books closing December 10 to 13, 1976, inclusive. Payment from the U.K. will be made in sterling calculated at the rate of exchange ruling on December 10, 1976. It will not be the intention of the directors to recommend a final dividend in respect of the year, when the accounts are issued. The dividend, together with the first interim dividend of 7 per cent. (10.769 per cent. gross) paid on May 12, makes the equivalent of 38.461 per cent. gross for the year. Total for the year ended June 30, 1975 was 38.461 per cent. gross.

BOSCOMBE PROPERTY—Profit half year to September 30, 1976, £41,973 (£36,993) before tax £21,488 (£19,088). Interim dividend 4 per cent. (2.1 per cent.) payable November 15, earnings per share 16.62p (16.05p).

BRITISH INDUSTRIES AND GENERAL INVESTMENT TRUST—Final 1.95p making 3.0p (2.8p). Group revenue for year to September 30 1976, £145,174 (£136,738) after tax £95,179 (£92,093). Net asset value 122p (108p) per 25p share.

BRYCOURT INVESTMENTS—Results for year ended September 30, 1976, reported November 2. U.K. quoted investments £3.71m. (£3.7m.) with market value £3.12m. (£3.13m.). Overseas £1.02m. (£1.85m.) with market value £1.23m. (£1.88m.). U.K. unquoted £225,866 (same), directors' valuation £223,850 (£198,516). Overseas £67,424 (same), value £71,386 (£64,731). At year-end, overseas securities accounted for 34.2 per cent. of total assets against 31.3 per cent. at beginning of year. U.K. securities dropped to 49.8 per cent. (53.7 per cent.). Directors satisfied properties have market value in excess of book cost. Meeting, Selfridge Hotel, W., December 17, at noon.

CALEDONIAN ASSOCIATED CINEMAS—Dividend 0.975p to be paid on December 10.

DARTMOUTH INVESTMENTS—Turnover £1.6m. (£1.3m.) for six months to September 30, 1976. Profit £46,000 (£41,000) before tax £24,000 (£21,300). Extraordinary credit nil (£21,700). Interim dividend 0.35p (0.3p) net. Board envisage maximum permitted final of *0.3726p (0.3569p)*.

ELECO (engineering and construction)—Results for year to June 30, 1976 already known. Group fixed assets £4.15m. (£3.02m.), current assets £4.46m. (£4.3m.), liabilities £2.4m. (£2.15m.). Meeting, Hoddesdon, on December 9, at noon.

D. M. LANCASTER (merchants, converters of rayon and nylon fabrics)—Turnover for year to June 30, 1976, £244,297 (£219,959). Profit £15,790 (£19,325) before tax £8,489 (£9,504). Extraordinary debits £11,993 (nil) leaving net loss £4,892 (profit £10,821). Earnings per 5p share before extraordinary items 0.18p (0.27p). Dividend nil (0.175p net).

WALTER LAWRENCE—Results, year ended June 30, 1976, and chairman's observations on prospects, already reported. The profit was struck after a compensation payment of £12,000 for loss of office to a director. Group fixed assets £3.01m. (£2.29m.). Property held for investment £1.7m. (£2.38m.). Net current assets £1.46m. (£0.48m.). Meeting, Savoy Hotel, W.C., December 9, at noon.

LONDON AND PROVINCIAL SHOP CENTRES (HOLDINGS)—Results for the year to June 24, 1976 reported November 10. Group properties £20m. (£16.78m.). Long and medium term borrowings £7.82m. (£6.29m.). Meeting, 28, South Street, W., on December 14, at 3 p.m.

LONDON PRUDENTIAL INVESTMENT TRUST—Total gross revenue £130,193 (£109,814) for six months to October 31, 1976. Total expenses £20,820 (£20,888), tax £38,008 (£32,069). Earnings per 25p share 1.19p (0.95p). Net asset value per share 57p (61p). Interim dividend 0.9p net (0.8375p and 2p total).

NORTH ATLANTIC SECURITIES CORPORATION—Results for the year to September 30, 1976 already reported. U.K. quoted investments at cost £6.37m. (£6.33m.). Overseas £5.65m. (£4.88m.). Unquoted £0.85m. (£0.66m.). Valuation of investments, U.K. quoted £7.68m. (£8.02m.). Overseas £14.49m. (£9.72m.). Unquoted £1.85m. (£0.9m.). Directors state that, it is anticipated that it will be possible to at least maintain the total dividend for the current year at 2.2p net. Meeting, Bucklersbury House, EC, on December 8, at 2.45 p.m.

PATANI PARA PLANTATIONS—Results for year ended March 31, 1976, already known. Fixed assets £1.03m. (£116,252) following revaluation at March 31, 1976. Surplus of £914,600 to capital reserve. Net current assets £126,445 (£87,840). Chairman says present indications are that last year's profit level should be at least maintained. Meeting, 19, Leadenhall Street, E.C., December 10, at 10.45 a.m.

PROPERTY PARTNERSHIPS—Interim dividend 0.75p net (0.7p and 1.43p total). Profit for half-year to September 30, 1976, £98,434 (£86,705) before tax £51,212 (£45,097).

W RIBBONS HOLDINGS—Results for year to June 30, 1976, already known. Fixed assets £2.76m. (£1.21m.). Current assets £5.36m. (£2.07m.). Liabilities £4.11m. (£1.32m.). Meeting, Winchester House, E.C., on December 7, at noon. First three months of current year have been satisfactory and chairman is not without optimism for future.

SANDERSON MURRAY AND ELDER (HOLDINGS) (woolcombing, processing of man-made fibres, topmaking and merchanting)—Results for year to June 30 already known. Fixed assets £785,618 (£708,973). Current assets £1.24m. (£1.03m.). liabilities £452,182 (£276,810). Meeting, Bradford, on December 15, at 12.15 p.m.

J. SMART AND CO. (CONTRACTORS)—Results for year to July 31, 1976, reported October 28. Fixed assets £1.42m. (£1.14m.), net current assets £1.91m (£1.59m.). Meeting, Edinburgh, on December 9 at noon.

STEWART NAIRN GROUP (hosiery and knitwear)—Turnover for six months to September 30, 1976, £767,938 (£667,049). Trading loss £3,469 (loss £16,997) after interest £8,714 (£8,839). No tax. Loss per 20p share 0.03p (loss 0.2p).

SURMAH VALLEY TEA COMPANY—Dividend 1.625p (nil). Turnover £346,382 (£428,388) year to December 31, 1976. Profit £50,288 (£23,342). Credit extraordinary items £8,284 (nil). Earnings per share 7.41p (4.23p). Dividend is subject to receipt of funds from Bangladesh and U.K. Treasury consent. On receipt of necessary funds from Bangladesh a further announcement will be made.

TRANSATLANTIC AND GENERAL INVESTMENTS—Consolidated revenue after taxation for six months to September 30, 1976, £24,880 (£35,918 and £71,788 for year to March 31, 1976). Profits of dealing subsidiaries included £4,149 (£17,189 and £34,274). Earnings per share 1.2p (1.8p and 3.6p). Valuation of investments (including net current assets) £2,246,582 (£1,853,030 and £2,118,080). Net asset value per £1 Ordinary share 111.6p (92.2p and 105.2p). Including 100 per cent. of the investment currency premium where applicable 485 per cent. £546,096 (55 per cent. £447,108 and 50½ per cent. £485,035) or 27.1p (22.2p and 24.1p) per share. Interim dividend 1.65p (1.5p) per final forecast of not less than 1.65p (1.5p). *Revenue does not accrue evenly throughout* the 13-month period, and reserves are, in any case, fully adequate to justify the forecast of an increase in dividend for the year.

WESTWARD TV—Results for the year to July 31, 1976, reported November 11. Group fixed assets £1.22m. (£0.99m.). Current assets £1.98m. (£1.32m.). Current liabilities £1.08m (£0.82m.). Meeting, Plymouth, on December 9, at 2.30 p.m.

WILSHAW SECURITIES—Results for year ended July 31, 1976 already reported. Fixed assets £229,946 (£246,349). Net current assets £142,134 (£46,126). Chairman says order book somewhat below level of this time last year but further contracts in many areas are currently being negotiated. He is confident that company is well placed to take advantage of any upturn in demand.

WOOD HALL TRUST—Results for year to June 30, 1976, reported October 29, with directors' comments on prospects. Group fixed assets £19.25m. (£19.05m.), net current assets £23.07m. (£21.19m.). Meeting, Winchester House, E.C., on December 13 at 11.30 a.m.

YORKSHIRE AND LANCASHIRE INVESTMENT TRUST—Final 0.75p making 1.1p (1.05p) year to Sept 30, 1976, pay December 21. Net revenue £45,057 (£42,451) after tax £24,413 (£19,000). Net earnings per 25p share 1.13p (1.06p). Net asset value per share 21.9p (22p).

Panto adrift at halfway

Despite a rise in turnover from £8.2m. to £9.37m., pre-tax profit of P. Panto and Co. fell from £200,466 to £169,360 in the first 24 weeks of 1976.

The interim dividend is held at 0.77p net on earnings of 2.27p (2.86p) per 10p share. Last year's final payment was 0.77p from profits of £360,218.

Tax for the first period took £88,000 (£105,200) and £53,732 (£67,688) is retained.

The company's position as one of the leading wholesalers in the country was consolidated by the purchase of two small connections at Canning Town and Wellington, to strengthen the two branches concerned. The purchase of R. Johnston (Newcastle), one of the biggest toy wholesalers in the north, has just been completed.

The group's interests lie in wholesale tobacconists, confectioners, grocers and sundriesmen.

W. CANNING

W. Canning bought on November 11 for cancellation £29,375 of its 7½ per cent. Unsecured Loan Stock 1988-93.

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First half profit was[…] £211,000 to £243,000 bef[…] £120,000 against £109,000. […] was down at £4.89m. ([…]

The net interim di[…] raised from 2.575p to […] 25p share. The prev[…] was 6.105p on pre-tax […] £302,042.

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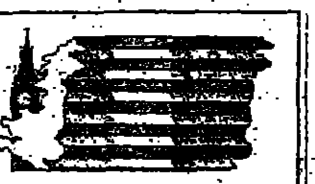

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Bankers maintain active role in Exxon bond sale

BY STEWART FLEMING

NEW YORK, Nov. 17.

EXXON, the world's largest oil company, has successfully completed its controversial $55m. bond issue which involved the sale of securities direct to the public rather than through the traditional underwriting procedures offered by investment bankers.

The bonds sold were guaranteed by Exxon but issued in the name of the Gulf Coast Waste Disposal Authority, and the funds are to be used to finance pollution control at Exxon plants.

Exxon's decision to formally cut out the "middleman" on this issue in the hope of saving costs has been a source of concern on Wall Street. If the practice were to spread to other major companies on large issues it would clearly have an adverse impact on the investment houses' profitability.

Ironically the success of the Exxon issue seems to be in part attributable to the very investment bankers who were not asked to take up an underwriting role.

It was reported later in the day that nearly three-quarters of the $55m. of the issue was taken *up by leading investment firms,* including Morgan Stanley, one of Exxon's principal securities *underwriters in the past.*

The effect of the participation of the investment houses is to make it unclear whether there are great advantages in the direct public sale of stock. The investment houses can claim that they were the lowest bidders for the stock and, if they can now also retail it to the public without losses, demonstrate that the underwriting system is effective.

Although some investment bankers were arguing to-day that it is too early to judge the impact of the issue or its success from the company's point of view, others claimed that the interest cost to Exxon is no different from what it would have to pay through the normal system of underwriting.

The total issue was sold at a yield of 5.84 per cent. and all the bids under the "Dutch auction" system employed ranged between 5 per cent. and 8 per cent.

MHT cautions on loans

NEW YORK, Nov 17.

JOHN A. WAAGE, executive vice president in charge of the international division of Manufacturers Hanover Trust (MHT), commenting on international loan demand being up sharply in recent months, estimated that the Bank has turned down about 30 per cent. to 40 per cent. of the loan proposals placed before it in recent months, reports AP-DJ. *In some cases the turndowns* were simply because interest rate premiums on the loans weren't *sufficient for Manufacturers* Hanover, he said, adding that in other cases the loans were *turned down for credit reasons.*

Waage noted that the Bank has turned down requests for lending *for hotels which normally require* a long payback. In other cases he said the Bank didn't want to expand its activities in certain countries.

Despite the heavy demand for loans however Waage said there has been increased competition among banks here for the business thus pushing down interest *rate spreads on international* loans.

Waage noted for example that recently top quality borrowers have been able to get interest rates set at 1½ percentage points *above the London inter-bank rate* down from 1½ points on such term loans as recently as six *months ago.*

Waage said that the increased competition partly reflects pressure at U.S. banks to keep earnings up in their international divisions.

He said Manufacturers Hanover might be out of the business if the spread drops below the 1½ level.

U.K. side boosts Playboy profits

CHICAGO, Nov. 16.

THE PLAYBOY Empire to-day reported record three-month profits of more than $3.5m. *and said profits were especially good in British clubs which have a booming gambling business, reports* Reuter from Chicago.

Playboy chairman Hugh Hefner told the company's annual meeting that in the three months ending September 30 profits totalled $3.8m., compared with $889,000 in the same period a year ago.

"By far the most significant portion of the increase is attributed to higher earnings (profits) in the company's clubs in England," Mr. Hefner said.

Playboy recently expressed interest in building a casino-hotel-resort complex in Atlantic City, New Jersey. State voters approved the establishment of gambling casinos in the coast city in the November 2 general election.

French union front

FRANCE'S *biggest union,* the Communist-led Confederation Generale du Travail (CGT) *called on other unions with* members in the public service sector and nationalised indus*tries to form the largest possible* common front to combat the Government's wage freeze and economic strategy, CGT secretary-general M. Georges Seguy told Reuters.

M. Seguy said Prime Minister Raymond Barre's counter-inflation plan is a failure, *adding that CGT figures show* prices have risen 10.8 per cent. so far this year in France, and *the inflation rate for the whole* year will reach 13 per cent.

Paris suspensions

THE FRENCH Stockbrokers' *Association* said it has suspended until further notice the share quotations of Cie Generale Transatlantique and Cie des Messageries Maritimes, but gave no further details, reports *Reuter from Paris.*

It also said it suspended quotations of the Gaz et Eaux and Cie des Eaux et Electricite de l'Ouest Africain, after being told of a pending financial operation concerning both companies.

Dividends cut

THE investment-fund administration company Intrag AG, which is affiliated to the *Union Bank of Switzerland,* announced dividend cuts for the year ended October 31 as *follows: From Sw.Frs.4.20 to* 3.40 per certificate for the Euril Fund for European *Shares, from Sw.Frs.10 to 8* for the ESPAC Fund for Spanish Shares, from Sw.Frs. *5.70 to 3.50 for the Helvet* Invest Fund for Swiss Bonds and from Sw.Frs.12.20 to 7 *for the Rometax fund for inter*national raw-material and power-company securities, our Zurich correspondent reports.

For the year ended September 30, the Intrag's Swiss real-estate fund Sima is to increase its dividend to Sw.Frs.7.90 (7.70) per certificate.

Opec may delay meeting

OIL-EXPORTING nations will definitely hold a price-fixing conference in Qatar next month, but possibly a few days later than originally planned, OPEC said in Vienna, reports Reuter.

Several members of the 13-nation Organisation of Petroleum Exporting Countries are canvassing a slight postponement beyond the scheduled December 15 starting date, but no decision has yet been taken.

"In any case, this would be a purely technical delay, and the meeting will be in December," a senior official said.

Other sources said the possibility of a slight postponement was raised *to avoid a* clash of dates with the 27-nation conference on inter*national economic co-operation,* due to start a Ministerial session in Paris also on *December 15.*

El Paso's Alaskan plan finds growing support

BY OUR NEW YORK STAFF

THERE ARE clear indications that of the three proposed pipelines to get natural gas from Alaska's North Slope and into the continental United States, it is El Paso Natural Gas's proposal which is gaining ground.

This proposal calls for a trans-Alaska pipeline, a liquefaction of the gas, and transport by LNG *tankers to the American west* coast where it would be regasified.

According to the State of Alaska's Commissioner of Natural Resources, Guy Martin, there are "*definitely favourable signs that* support for this pipeline is growing."

Two days ago, Southern Natural Resources' Southern Natural Gas announced agreement with Alaska for purchase of 650 billion cubic feet of gas, to be delivered over a 20-year period. This figure amounts to about 25 per cent. of the State's "royalty" reserves.

This announcement was followed yesterday by two more from Tenneco's Tennessee-Gas Transmission, and from El Paso's El Paso Alaska. Tennessee-Gas is committed to 50 per cent. or 2.6 trillion cubic feet of the reserves, and El Paso is contracted to purchase the remaining 25 per cent.

The agreements are subject to approval by the Alaska Royalty Board, and the Alaska Legislature. And, of course, no such agreement is viable until one of the pipelines receives Governmental clearance.

The prime indication that support for El Paso's trans-Alaska pipeline is strong comes not only from this agreement from El Paso itself, but also from Southern Natural's support, announced at the time of its purchase agreement.

In further explanations of the move Commissioner Martin said that in exchange for the gas sale, Alaska has exacted a promise of support from the three companies for what seems to be the more popular pipeline. The agreement with the companies would be void *should* the trans-Alaska pipeline not be approved.

Other reasons why the State would choose this above other pipelines are that, with the pipeline going across *the length* of the State, its tax base will be Alaskan.

It is also argued that this is the fastest way to transport the gas — Canadian Government bodies have not been *able* to reach a decision so far, and a pipeline decision is expected within the first half *of the* coming year. Time is likely to work in favour of the all-American proposal.

The North Slope's Prudhoe Bay contains 20-28 trillion cubic feet of natural gas. *One-eighth* belongs to Alaska—this being known as the royalty share. It is surplus from this share—that is a total of 2.6 trillion cubic feet—that the State has agreed to sell, an *amount which would* have a retail market value of about $5bn. at to-day's prices.

The remaining *seven-eighths* of the gas in the bay is owned by a number of major oil and gas *companies,* none of whom has so far indicated support for one pipeline or another.

Cartel reaction on Karstadt

BY ADRIAN DICKS

BONN, Nov. 17.

THE WEST GERMAN Federal Cartel Office reacted to-day to the recent flurry of rumours *about Karstadt's proposed take*-over of Neckermann by issuing a brief statement to the effect that it is "open to alternative solutions." The statement appeared to come closer than the Cartel Office has previously done to stating out loud its *reported dislike of the merger* proposal, which would bring under one roof West Germany's largest mail order house Neckermann, and its largest retailer, *Karstadt.*

The Cartel Office has until November 29 to make up its *mind on the merger proposal,* first put forward last summer. The deal, as publicly explained *then, called for* Karstadt to buy an initial 25 per cent. of Neckermann, rising to over 50 per *cent. within* four years. Karstadt hopes to build up the travel and mail order side of Neckermann, while undertaking drastic rationalisation of the group's financially troubled department stores.

Herr Peter Neckermann, one *of the* controlling family shareholders, said to-day he feels the Cartel Office statement indicates that it is interested in enabling the "essence of the deal" to go through.

However, in addition to the Office's own reservations *about* the merger, there is still uncertainty about the attitude of the Economics Ministry, which is thought not to like giant retailing groups, but to recognise that Neckermann badly needs an injection of outside cash and expertise.

EUROBONDS

Quebec issues recover

BY TONY HAWKINS

QUEBEC issues recouped some of Tuesday's losses in restrained Eurobond secondary market trading yesterday. *Dealers said* the Canadian issues, which declined by half a point on Tuesday in reaction to the unexpectedly sweeping Separatist *victory in the* Quebec provincial elections, mounted recoveries of about one-quarter of a point *largely due to professional,* rather than retail operations.

Dollar bonds firmed by about a quarter of a point, partly reflecting the closure of the West German markets (which are usually net sellers) and also as a result of speculation of a new fall in short-term interest rates in the U.S. following publication of the latest economic indicators which point to a continuing economic "pause."

In the new issue market, the Korea Development Bank is reported to be planning a short term (about five years) Asian dollar bond issue of $25m. early next month with Merrill Lynch and Yamaichi Securities as lead managers.

Canada Trustco, in first time trading opened at *98/98½* which was regarded as satisfactory under the present difficulties surrounding Canadian issues. But there was some market disappointment at the initial poor showing by Fairchild Camera convertibles which traded at 97½/98½ after being priced at par. The coupon was set at 5¾ per cent. (as indicated) and the conversion premium is 14.83 per cent. for this $20m. 15-year issue.

The coupon for the Renfe *(Spanish Railways)* $50m. seven-year note issue (average life 5½ years) is 9½ per cent. Pricing is *on November 25.*

Private placement

United International Bank announced its first private placement—$25m. of seven-year bonds on a 9 per cent. coupon for a major Swedish institution. UIB *declined,* in accordance *with* usual market practice, to name the borrower.

In the Swiss Franc sector, the European Coal and Steel Community's Sw.Frs.80m. 5¾ per cent. 15-year *Euroloan* has been heavily oversubscribed at an issue price of par.

BONDTRADE INDEX

	Wednesday	Tuesday
Medium	101.45	101.46
Long	92.88	92.85
Convertible	104.53	104.34

DG Bank Finance

The DG Bank Finance Company BV is raising $40m. with the issue of six-year floating rate notes on a minimum indicated coupon of 6¼ per cent. The effective rate will be ¾ per cent. above Libor (London Interbank Offered Rate). The DG Bank issue, with S. G. Warburg and Co. as lead manager, is guaranteed by DG Bank Deutsche Genossenschaftsbank and will be the bank's first Eurodollar market *borrowing.* The issue is well-timed in the light of the emergence of more *favourable conditions in the* floating rate sector this week. Floaters were up to ¾ of a point *higher yesterday* as they recovered from an oversold position.

The 15m. OKI *Electric Industry* five-year guaranteed note issue was very heavily subscribed and *priced at par with a coupon of* 8½ per cent. as indicated. It will be quoted in the secondary *market for the first time* to-day.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1985	104¼	105
Australia 8¼pc 1991	98	99½
Bowater 9½pc 1990	102½	103½
Canadian N. Rly. 8¾pc 1986	99½	100
CNE 8½pc 1985	100½	101½
Denmark 8½pc 1984	97½	98½
ECS 9½pc 1986	101½	102
EIB 8½pc 1986	98½	99½
Eran 9½pc 1985	102½	103
Esso 8pc 1986 Nov.	102½	103
Eurofima 8½pc 1987	100½	101½
Granges 9½pc 1985	102	102½
ISE Canada 9½pc 1986	103½	104½
Massey Ferguson 9½pc 1991	103½	104½
Michelin 9½pc 1985	100½	101½
Modo 9pc 1986	97½	98
Nat. Westminster 9pc 1986	99½	100
Newfoundland 9½pc 1989	100½	101½
Norpipe 9½pc 1986	101½	102½
Norsk Hydro 9pc 1991	100	100½
Oslo 9pc 1986	99½	100½
Ports Autonomes 9pc 1991	97½	98
Prov. Quebec 9pc 1994	101½	102½
Quebec Hydro 9½pc 1986	97½	98½
Pr. Saskatchewan 8½pc '86	100½	101½
Stand. Oil (Ind.) 8½pc 1984	103½	104½
Svenska Handels 9½pc 1986	102½	103
Volvo 9½pc 1985	102	102½
NOTES		
Australia 8¾pc 1981	100½	101½
Australia 8¾pc 1980	99½	100½
ECS 8½pc 1981	101½	102½
EEC 8pc 1982	99½	100½
Kockums 8pc 1983	97½	98½
Michelin 8¾pc 1983	99½	100
Montreal Urban 8½pc 1981	99½	100½
Nat. Financiera 10pc 1981	101½	102½
NCB 8pc 1981	102	100
N. Brunswick Pr. 8½pc '83	101½	102½
New Zealand 8pc 1986	99½	100
Nippon Fudosan 8pc 1981	99½	90
FLOATING RATE NOTES		
BFCE 6¼ min. 1983	98½	99½
DFR 6¼ min. 1982	99½	100½
Bk. Tokyo Hldg. 6½ min. '81	99½	100½
Midland Bk. 7 min. 1983	100½	101
D-MARK BONDS		
Beecham 8pc 1987	101½	102½
Den Danske Bk. 8½pc 1986	101	101½

	Bid	Offer
Giro. Vienna 7½pc 1983	100½	101½
New Zealand 7¾pc 1988	104½	105
Pemex 8½pc 1983	99½	100

Source: White Weld Securities

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	81½	83½
Ashland 5pc 1988	83	85
Beatrice Foods 4½pc 1992	100½	102½
Beatrice Foods 4½pc 1992	117	119
Borden 5pc 1992	100	102
Broadway Hale 4½pc 1987	73½	75½
Canon Camera 7½pc 1989	108	
Carnation 4pc 1987	92	94
Chevron 5pc 1988	108½	109½
Dart 4½pc 1987	84	86
Eastman Kodak 4½pc 1988	103	105
Economic Labs 4½pc 1987	77	79
Fed. Dept. Stores 4½pc '85	118	120
Firestone 5pc 1988	[illegible]	[illegible]
Ford 6pc 1988	95	97
Ford 5pc 1988	84	86
General Electric 4½pc 1987	82½	84½
Gillette 4½pc 1987	72	74
Gould 5pc 1987	[illegible]	86½
Gulf and Western 5pc 1988	88½	90½
Harris 5pc 1992	[illegible]	[illegible]
Honeywell 6pc 1986	92	94
ITT 4½pc 1987	73½	75½
Komatsu 7½pc 1990	100½	102
J. Ray McDermott 4¾pc '87	137	139
Mitsubishi Elec. 7½pc 1991	102	104
Mitsui 7½pc 1990	101½	103
J. P. Morgan 4¾pc 1987	109	111
Nabisco 5½pc 1988	94½	96½
Owens Illinois 4½pc 1987	111½	113½
J. C. Penney 4½pc 1987	94	96
Pioneer 6½pc 1989	294	
Raymond 8½pc 1989	101½	103
Revlon 4½pc 1987	110	112
Reynolds Metals 5pc 1988	96	98
Sperry Rand 4¾pc 1987	94½	96½
Squibb 4½pc 1987	77	79
Texaco 4½pc 1988	77	79
Toshiba 6½pc 1990	103½	105
Union Carbide 4½pc 1982	102	104
Warner Lambert 4½pc 1987	79	81
Warner Lambert 4½pc 1988	78	79
Xerox 5pc 1988	77	79
Fairchild 5½pc 1991	94½	96½

Source: Kidder Peabody Securities.

Arab property investment plans

KUWAIT, Nov. 17.

THE ARAB world's biggest property investment company is to be set up in the United Arab Emirates (UAE) state of Sharjah with a capital of 500m. dirhams, the Kuwait newspaper Al-Anbaa said.

The newspaper, quoting Kuwait financial market sources, said that the company's founders include Kuwait's Sheikh Nasser Sabah Al-Ahmed, son of Foreign Minister Sheikh Sabah Al-Ahmed, and a former director of the London-based Lonrho group, and Sharjah's Sheikh Mohammed Bin Sultan Al-Gasimi, a cousin of the ruler of Sharjah.

The company's founders plan to retain 53 per cent. of the shares, offering the remaining 47 per cent. to the *public.* Any Arab of any nationality will be able to buy the shares, the newspaper *said.*

Observers said that this will be a new departure in the Gulf *where only nationals of the* Gulf States have in the past been allowed to acquire shares *in Gulf-based companies.*

Reuter

Alitalia buying Boeings

ROME, Nov. 16.

ALITALIA, Italy's *national* airline, is buying seven Boeing 727s *as part of a four-year investment programme* totalling L90bn., of which three *have already been delivered and the remaining four are to* be delivered later this year, a spokesman said in Rome yesterday, *reports Reuter.*

The company hopes to be able to finance investments in*creasingly through its own* funds, keeping short-term debt to a minimum, in spite of the *fact that it will be in deficit* this year and probably also next year, he said.

Forecasts are not yet available for this year's loss, but strikes have cost the company L30bn. and the higher lira cost of dollar debts another L[illegible]bn., the spokesman said. Turnover runs at about L700bn. annually.

Alitalia's 1975 deficit including accumulated losses from previous years was L49bn.

The investment programme also provides for purchases in 1978 of a large-capacity cargo plane, as well as for plant modernisation, he said.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	9.11.76	16.11.76	AVERAGE YIELD	9.11.76	16.11.76
DM Bonds	102.35	102.65	DM Bonds	7.688	7.644
HFL-Bonds & Notes	98.06	99.13	HFL-Bonds & Notes	9.102	8.898
U.S. $ Strt. Bonds	101.57	101.07	U.S. $ Strt. Bonds	8.582	8.664

Sugar price brings revision of CSR hope

By James Forth

SYDNEY, Nov. 17.

THE SLUMP in world sugar prices over recent months has caused CSR, the large sugar, mining, chemicals, pastoral and building materials group, to revise its forecasts for 1976-77. At the annual meeting in July the chairman Sir John Dunlop predicted this year's results would top the 1974-75 record profit of $A40.6m. To-day the company announced a 13 per cent. lift in earnings for the September half year from $A20.6m. to $A23.3m. But the company said it expects profits for the full year will be lower than in 1974-75.

The increase in the first half reflected lower profits from minerals but improved earnings from building materials.

Despite lower sugar prices this activity also returned higher profits for the six months. But the directors said the half yearly result this year was even less reliable than usual as an indication of the full-year's results.

They said that because of excellent harvesting conditions, CSR's mills have made 72 per cent. of the 950,000 tonnes of sugar expected for this year's full production. By contrast at this time last year the company had made only 53 per cent. of the full year's production of ...3,000 tonnes. Unless sugar prices rally sharply, CSR will obviously earn much less from sugar in the current half year.

Interim dividend is held at 7.5 cents a share, requiring slightly more than $A9m.

OCBC reduces stake in Pacific Bank

By H. F. Lee

SINGAPORE, Nov. 17.

The Overseas Chinese Banking Corporation (OCBC), one of the largest local banks, has sold 1m. of its shares in its Malaysian subsidiary, Pacific Bank Berhad, to United Malacca Rubber Estates for $M1.15m.

The sale of the shares which represents 22.2 per cent. of Pacific Bank's issued capital of ...4m. reduces OCBC's stake in this small Kuala Lumpur-based bank from 97 per cent. to 74.8 per cent.

United Malacca whose chairman is the former Malaysian Finance Minister, Tun Tan Siew Sin, said that it acquired the stake as an investment. Also on the Board of United Malacca is the chairman of OCBC, Mr. Tan ...n Tuan.

Barclays to reorganise South African subsidiary

BY RICHARD ROLFE

JOHANNESBURG, Nov. 17.

BARCLAY'S National Bank, the South African arm of Barclay's has produced somewhat ambiguous results for its year to September 30, and has announced a major rationalisation of its troubled subsidiary, Western Bank. Over the year, group operating profits rose from R.46m. to R.57m. but after provision for Western's losses and an exceptional pension-fund contribution, the pre-tax figure was up from R.43m. to R.48m. while a higher tax charge reduced the improvement and the net level to a matter of R0.6m. at R28m.

With a final dividend of 10 cents the total for the year is up one and a half cents at 19 cents, putting the shares at 367 cents on a yield of 7.1 per cent. But earnings per share are down officially from 61 cents to 54 cents because of the higher issued capital which resulted from last year's rights issue. The directors point out that had the figures a year ago been calculated on the end year capital, rather than a weighted average, the year to September 1975 would have shown earnings of 53 cents.

The R7.7m. provision for Western Bank brings the total over the past two years to R10.7m. and Barclay's local managing director, Mr. Bob Aldworth said yesterday that but for Barclay's intervention South Africa might have seen its first banking failure. Of the latest provision R4.2m. was in respect of loans mainly inadequately secured against property which had been written off, and the balance represented trading losses. Western was originally a Schlesinger Organisation company and was part of the package acquired by Rand Selection three years ago. It was sold to Barclays in 1974 leaving Rand Selection and other Anglo group companies as the biggest shareholders in Barclays' South African operations apart from the overseas parent which holds 64 per cent.

But for the Western Bank provision, Barclay's earnings would have been considerably more buoyant in the past year. Quite apart from the financial aspects an enormous amount of management time has gone into installing what Mr. Aldworth called "adequate management records." Western's "Wescard" is to be merged with Barclaycard adding about 100,000 card holders—before allowing for any duplication—and R20m. outstanding in credit to the Barclaycard operation. The merger is expected to create greater operating efficiencies.

Western Bank began trading profitably in October and provided there are no more skeletons in the cupboard, Barclay should be able to chalk up some significant earnings' growth in the current year. Certainly, no less will be expected in the market where Barclay's yield is easily the lowest of any of the banks and a full three points under the sector average. The bank says it is close to its credit ceiling, which should be a good omen against a generally underlent bank sector and weak demand for credit. In addition, a capital structure of the bank is such that no further rights issue will be needed, at least this year.

Kobe Steel profits soar

TOKYO, Nov. 17.

KOBE Steel Ltd., Japan's fifth largest steel producer, to-day announced after-tax profit of Y.5.74bn. ($99m.) for the half year ended September 30.

Gross sales for the period were Y.440.2bn. (356.9bn.) with the dividend unchanged at Y.2.50.

Profit before tax and special items is expected to total more than Y.20bn. in the year to March 31, 1977, on net sales totalling Y.930bn., a spokesman for the company said.

It reported a deficit before tax and special items of Y.20.5bn. and net sales of Y.16.1bn. in the preceding year.

The spokesman said the company's business turned sharply upwards in the six months to September 30, 1976 due to an increase in exports of steel goods and industrial plant and equipment, and a rise in domestic steel prices.

The company posted a massive gain in net profit while net sales rose 16 per cent. over the preceding six months.

He said total exports in the first half rose 29 per cent. to Y.119.6bn. from Y.92.74bn. in the preceding six months. Exports of steel goods rose 40.5 per cent. to Y.64.92bn., while those of industrial plant rose 19.5 per cent. to Y.42.23bn.

Reuter

British Columbia hopeful for 1977

VANCOUVER, Nov. 17.

WITH OR without wage controls it appears that 1977 could be another difficult negotiating year in British Columbia's forest industry, Ian Barclay, chairman of British Columbia Forest Products, said in Vancouver yesterday, reports AP-DJ.

Barclay didn't elaborate in remarks prepared for the B.C. Economic Outlook Conference. Last year a three-month strike by some 53,000 forest workers closed the industry. Current contracts expire next June.

Barclay said the expected increase in U.S. housing starts next year will result in improved lumber markets for B.C. suppliers. Despite a likely decline in Canadian housing starts, the industry expects the domestic market to be adequate next year.

He said good lumber volumes have been booked in overseas markets for the first quarter next year and "we anticipate a continuation of improved demand during most of the year."

If there is any economic recovery, Barclay said, world newsprint consumption should increase about 2.5 per cent. in 1977. The higher demand should permit the Canadian newsprint industry to operate at an average production rate of 85 per cent. next year.

He said Canadian pulp producers are likely to enter 1977 with a sales to production capacity ratio no better than slightly over 80 per cent. If any economic recovery catches hold pulp producers could boost this ratio near 90 per cent. by the end of the year.

As there has not been a pulp price increase since January 1975, profit margins will continue to be reduced next year and prospects for expansion in view of costs for new capacity are poor.

Korea loans linked to U.K. trade

By Tony Hawkins

TWO syndicated loans totalling $61m. for Dow Chemical Korea and Korea Pacific Chemical Corporation, guaranteed by the Korea Development Bank, have been completed. The loans have a maturity of just over six years (final maturity is December 1982) and carry a spread of 1¼ per cent. over Libor (London Interbank offered rate) for the first two years and 2 per cent. thereafter.

They are both linked to a major contract for the export of U.K. goods and services to South Korea.

Lead managers for the two loans are the European Banking Co. and Asia Pacific Capital Corporation. A very powerful management group—for a Korean credit—has been put together, including the Bank of America, Banque Europeene de Credit, Chase Asia, Compagnie Financiere de la Deutsche Bank, European American Banking Corporation.

BankAmerica announces major disclosure moves

BY JAY PALMER

NEW YORK, Nov. 17.

BANKAMERICA, the holding parent company of the California-based Bank of America, has taken a major step forward in lifting the veil of secrecy that so often surrounds the activities and policies of many U.S. banks.

The bank, the world's largest, this afternoon released details of its extensive new "voluntary disclosure code," spelling out the greatly increased amount of previously withheld information about the bank and its operations that will be made routinely available in the future.

Mr. Lee Prussia, executive vice-president and cashier of the bank, told a New York press conference that "the code is now official policy of the bank. It commits us to a minimum level of systematic disclosure—now and forever."

The new code, at which a special team has been working for nine months, details 70 specific areas of regular disclosure. "Not all of these are necessarily new," Mr. Prussia said. "About 34 of the 70 break new ground for internal bank disclosure and about 20 of the 70 will go further than any other U.S. bank."

By its target completion date of next March, Bankamerica will have made the following information available—

1. A breakdown of deposits by geographic area and currency.
2. Share of market data by industry and area.
3. A breakdown of loans by type, area, industry and currencies.
4. Extensive data on "problem loans."
5. Breakdown of investments by area, yield, maturity and type.
6. A summary of credit and investment policies and criteria.
7. A breakdown of all corporate debt and trust management activities.
8. Rules of conduct within the Bank and all investment and banking activities with companies linked to the Bank by common directorships.

This afternoon, key leading New York City commercial banks refused to comment on the New Bank of America code other than to confirm that it would make available a lot of previously "secret" information about the california bank's activities.

A spokesman for the Securities and Exchange Commission in Washington confirmed that the Agency had been closely in touch with BOA when it was working on its new code. However, he refused to comment on immediate speculation that the SEC might attempt to make this sort of extensive disclosure mandatory for all large U.S. banks.

Out but not down, and training to get back in

BY MICHAEL DIXON

"WHAT IS the gross profit margin in this industry?" asked banker Roger Llewellyn, quietly. The reply from the leader of the team of five potential borrowers was immediate.

"About 46.6 per cent. on average," said 34-year-old Mike Williams-Neyland, "though it depends, of course, on the product mix. We're already negotiating with a company we think it would be good to take over. The thing is that the major groups have been very slow to move in this particular market. We feel that we'd be able to sell out to a major in five years or so."

Mr. Llewellyn, manager of the Leicester branch of the Industrial and Commercial Finance Corporation, stared back dispassionately. "Well, I think that you could well have a starter," he comented.

But his words brought no sign of enthusiasm from the five prospective founder-directors of the Mr. Poppins company. Like the other 16 experienced senior executives on the course in Derby, they have learned the hard way against investing hope in early encouragement, whether it be a banker's favourable comment on a new business proposal or the impressively presented descriptions of themselves being sent under "confidential" stickers to the chiefs of the 40 biggest companies in the land. For the four-week course is exclusively for the unemployed.

Moreover, it is exclusively for the higher-ranked members of this country's, perhaps, 80,000 out-of-work managers—which has led to certain embarrassments for the course's organisers at the East Midlands Regional Management Centre, which is assembled from the management and business studies departments of the Derby Technical College and the Polytechnics of Leicester and Trent.

Market

One difficulty was that, having designed their scheme for the senior jobless, the organisers had a hard job to obtain the finance to run it. "Nobody seemed to believe that there would be a market for it," said Foster Rogers, one of the course's two tutorial mainstays. "But we believed the opposite, and we don't give up easily."

Happily, when the Training Services Agency agreed to support the first run in May, the doubters were proved wrong. From all over the country applications flowed in from unemployed executives formerly paid at least £5,000 a year, and the 22 places on the residential course were filled with no trouble at all. For the second run, which ended last week, the minimum-salary qualification was raised to £7,000 a year, and still the organisers were left with nearly 200 initial applicants to choose from.

Of those selected, one fairly swiftly dropped out to take a job in South Africa, leaving a student body of 21 whose previous salaries ranged from £7,000 to £18,000, and averaged about £10,000. Encouraged by the demand, the East Midlands Centre is proposing a third run with a minimum entry level of £8,000 next year, and the Training Services Agency is considering developing programmes on a similar pattern elsewhere in the country.

But the success of the scheme in attracting higher-ranked job-seekers, plus the fact that in the absence of suitable college accommodation the programme is staged in large hotels, constitute another source of embarrassment to which the TSA is sensitive. The course is prone to representation as an elitist exercise, providing a relatively well off, minute fraction of the nation's unemployed with valuable training in luxurious surroundings at the taxpayer's expense.

For each run of the four-week course for 22 people—disregarding the students' normal unemployment benefits — the public purse pays out a total of around £9,000. But there is no lack of arguments to justify this cost.

The TSAs attitude is apparently that the students are a highly selected body of experienced and demonstrably competent senior managers, thrown out of use by economic circumstances beyond their control. So a course which gives such valuable managerial resources a professional brush-up and speeds their return to productive work surely cannot fail to pay a return on the investment.

Subsidy

Beyond this, Roland Toone, the director of the programme, claims that the cost-per-student is far from exorbitant, and almost certainly involves a subsidy from the normal funds of the East Midlands Centre.

"And when you think of the taxes we've paid in the past," added one of the students, "£400 to £500 a head is surely not a lot for the country to spend on helping to turn us back into taxpayers again. And it's certainly not rest cure here, I'll tell you."

Mr. Toone, looking distinctly friable last Friday after four working weeks of late nights, early mornings and all sorts of problems in between, would agree. Constant activity is essential he says in a programme which aims first to kick the students out of the "shell-shocked" state in which they usually arrive; second to up-date them professionally by means of a *stiff course of lectures* and projects in business policy, finance and control, and management; and third to train them in the "self-marketing" skills needed to get another job in a heavily oversubscribed market.

"Even though they are senior people, many of them have been head-hunted out of one post into another almost throughout their careers. So they often simply *have no experience in applying* for advertised jobs at their level, let alone of cold-canvassing employers who haven't advertised. Just getting them into shape to tackle a jobs market where it's not unknown for a single advertisement to produce 1,200 applications, means a lot of effort for them and since as well as group training, it involves detailed interviews with each individual, a lot of effort for the tutors, too. Each of us tries to take one night off each week, *but as often as not, we can't manage it.*"

Judged by comments among the 21 who finished the programme last week, all the activity is worth while, though possibly not altogether in the way that the tutors intend.

"Definitely I think it has helped me to be worked hard," said one departing student, "but while the management training part of the course would no doubt be useful to somebody whose background has been in a particular aspect of management, I wouldn't think it's of much direct benefit as an input to somebody with a good deal of experience already as a general manager.

"The main effect of the work for most of us, I think, has been in getting us going again—certainly a lot of us have missed all the activity when we got home for the week-ends. Maybe the things they've been trying to teach us will turn out to be valuable in retrospect, of course. But for me, the best thing has been the other course members.

"You know, whatever you were before, when you are out and on your own and can't get back in, you very soon feel that you really can't be any good. But when you come here with a bunch of other managers in the same boat, and see for yourself what a high-quality lot they are, it gives a hell of a boost to your self-confidence."

Impressive

This "high-quality" estimation would doubtless be endorsed by Roger Llewellyn of Industrial and Commercial Finance Corporation, who was brought in to assess the new business projects which the students worked out in groups as part of their training. All the projects were realistic and impressively presented, he said, and the Mr. Poppins proposal (whose details I am pledged to keep secret) definitely seemed worth backing, though not necessarily by ICFC.

"The organisers are obviously being very highly selective," he added. "Quite apart from their projects, I would not see much by way of long-term problems for these boys. The majority of them will be very quickly back in jobs."

And the record so far suggests that Mr. Llewellyn may well be right. Of the 22 who attended the first course in May, at least 14 are now in new posts at least as senior as those they had before, and seven of them travelled to Derby last Thursday for the final evening of the second run.

All of them seemed convinced that the programme had been a help to them, particularly by providing the confidence to go back home and carry on applying, regardless of the mounting piles of rejections and, all too often, the lack of any reply whatsoever.

"Obviously I believe that we achieve more than just sustaining *them when they're out on* their own again writing their hundreds of letters," Roland Toone declared. "But if that's what they think is our major contribution, I'm not disappointed, because in the end it is going on trying to get back in which counts, and they are the only people who can do it.

"Nobody can solve the basic problem for them, which is why I feel a bit of a charlatan at times. I respect them, you know, and by now I can think about all the difficulties that face them. But that's not the same thing as actually experiencing unemployment. I'll tell you this: for all we have learned with this course, if I were kicked out of work to-morrow I'm sure I wouldn't know what to do with myself."

GENERAL APPOINTMENTS

A major International Company in the fast moving consumer goods industry requires an

AREA MARKETING MANAGER

North Africa

This is an exciting opportunity coming at a time of expansion of our client's already major activities in Africa offering wide scope for a man who combines marketing experience with strong entrepreneurial and negotiating skills—linguistic ability is *distinct advantage.*

Responsibility is for the total marketing activity of the company's wide range of fast moving products throughout Morocco, Algeria, Tunisia and Libya. The prime task is developing sales and distribution through agencies, wholesale and retail outlets. A strong strategic network of manufacturing agencies backs up the main group production, providing excellent product availability throughout the area.

A PROVEN record of success in consumer sales/marketing and a knowledge of local marketing methods are essential. Extensive travel is involved enabling flexibility of base location. There are very attractive fringe benefits and a substantial bonus based on performance. The appointment is envisaged for early 1977.

Age 30-40 **Salary: Circa. U.S.$30,000**

Please contact me with relevant details:
Robin R. Whalley

I A L **INTERNATIONAL APPOINTMENTS (LONDON) LTD**
Calder House, 1 Dover Street, London W1X 3PJ
Telephone: 01-629 6367/8
Cable: Interappt London W1

Investment Analyst Overseas Investments

Expansion of the overseas portfolio of Unilever's U.K. pension fund has created a vacancy, at the Company's Blackfriars Head Office, for an investment analyst with experience of equity investment in the U.S.A. and other overseas stock markets.

The successful applicant is likely to be under 30 and professionally qualified, with at least three years' good experience in the assessment and selection of U.S. equities. The commencing salary will be according to experience. A number of first class company benefits also apply to this post.

Applications with details of background and experience to Irene Linden, Staff Department.
Unilever Ltd., Unilever House, London EC4P 4BQ.

INTERNATIONAL INDEPENDENT OIL COMPANY

with diversified interests in the U.S. oil industry including exploration, production, refining, distribution and a worldwide marketing network requires for immediate placement:

SENIOR MARKETING EXECUTIVES

to assume account responsibility for a limited number of selected customers within the area of their appropriate geographical location. The duties include:

(a) Procurement of daily supply and demand information on each customer by regular visitation, telephone and telex contact;

(b) Provide short- and medium-term market projections; and

(c) Give information on industry price trends, government energy policies and statistical data on imports and exports of petroleum products and crude oil.

The requirements of the position are such that an acceptable candidate would be a senior oil executive with at least 15 years of industry experience and at least five years' experience in supply and distribution of marketing of crude oil and/or petroleum products. We would also welcome replies from qualified applicants approaching retirement with major oil companies, either on a full or part time basis.

Please reply to Box A.5749, Financial Times, 10, Cannon Street, EC4P 4BY.

COFFEE TRADER

An International Trading Company planning to expand its commodity operations in London seeks an experienced coffee dealer capable of starting a new department.

The successful candidate will have had at least five years' experience and preference will be given to those fully conversant with trading in physical coffees.

Remuneration will be fully competitive and includes company profit sharing scheme plus excellent fringe benefits.

Please reply in confidence to Box A.5751, Financial Times, 10, Cannon Street, EC4P 4BY.

CITY OR BUSINESS sub-editor needed immediately. Full-time or part-time by Time and Tide-Business World. Telephone Managing Editor, 01-637 7540 or write 58 Russell Square, London, WC1.

LOANS ADMINISTRATOR, aged 25-30, with minimum three years experience. c. £4,500. Telephone Lee Personnel, 01-409 1944 for further details.

MERCHANT BANKING

S. G. Warburg & Co. Ltd.

Our corporate finance business continues to grow and we are seeking one or two young executives with the potential to make a significant contribution to our business.

Successful applicants are likely to be graduates, aged between 24 and 32, who have obtained a professional qualification in law or accountancy, or a business school degree. It will be an advantage if they have also acquired some relevant post qualification experience, particularly in banking or corporate finance. Fluency in one or more foreign languages would also be an advantage.

Applications, enclosing a concise curriculum vitae, should be sent in confidence to:

G. E. J. Wood, S. G. Warburg & Co. Ltd.,
30 Gresham Street, London EC2P 2EB.

HEAD OF LONG GILT SALES

A leading firm of

STOCKBROKERS

is keen to recruit an experienced Long Gilt Sales Executive to head an already established institutional selling team. This is a position of considerable responsibility which offers scope for substantial career advancement. Total remuneration will be highly competitive.

Replies which will be treated in strictest confidence to Box A.5752, Financial Times, 10, Cannon Street, EC4P 4BY

Develop the Career your potential deserves -International Credit.

Chase Manhattan, the third largest US bank, has an impressive record of growth in the UK, and provides a comprehensive range of banking and financial services.

International banking with Chase offers a particularly challenging and rewarding career. We are looking for young and highly ambitious graduates, men or women, with exceptional records of up to five years in banking, finance, or accountancy, to join our intensive training programme. Only candidates with clearly above average numeracy, interactive and organisational skills, coupled with the determination to succeed, should apply.

During this course, lasting around 1½-2 years, you will acquire significant technical and theoretical knowledge combined with an invaluable exposure to *international banking and credit.*

On successful completion you will become a Lending Officer—currently earning around £6,500. Progress is usually rapid, and exclusively performance related, enabling you to experience early managerial responsibility and develop your full potential. This will include overseas assignments and preference is given to graduates with a second language.

An attractive starting salary will be in line with qualifications and experience, together with a substantial range of benefits.

Please write, enclosing full details of your qualifications and career to date to: Robert Timms, Manager—Personnel Services, Chase Manhattan Bank NA, Woolgate House, Coleman Street, *London EC2.*

CHASE

Credit/Research Analyst

Morgan Guaranty, one of the world's leading international banks, requires an analyst to join a young group involved in the evaluation of new and existing business and varied research projects.

The vacancy calls for a well qualified analyst with analytical experience in either stockbroking or banking. This is a senior appointment offering a competitive salary which will depend on experience.

The post carries substantial fringe benefits including a profit-sharing bonus, low-cost mortgage facilities, and a non-contributory pension scheme.

Please write including a full curriculum vitae to Mr. R. Binham, Morgan Guaranty Trust Company of New York, 33 Lombard Street, London EC3P 3BH. Telephone: 01-283 8888, extension 590.

Morgan Guaranty
Trust Company of New York

Yachting & Boating Industry

Deputy Managing Director

required by one of the largest Independent Companies within the industry with an excellent profit record. The Company has manufacturing and distribution elements with a substantial export content.

Applicants will have wide commercial and financial experience at Board or senior executive level in a manufacturing and marketing organisation. Salary and benefits in keeping with the importance of this position.

Please write giving particulars of qualifications and career to the Managing Director, Box A.5748, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS SCHOOL IN 1977?

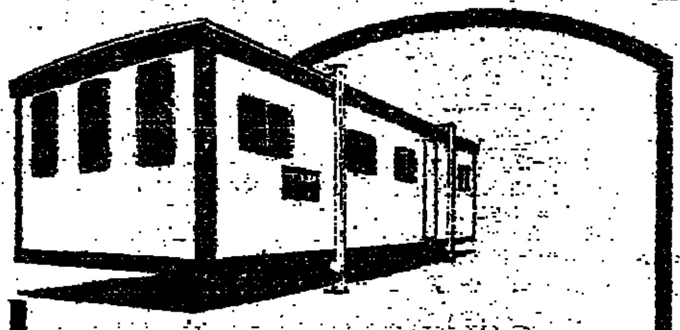
The Business Graduates Association has arranged two free sessions for YOU to meet recent graduates of British, American and European Business Schools. Come and ask them about courses, teaching, finance, admissions, careers and life at Business School,

AT IMPERIAL COLLEGE, Mechanical Engineering Building, Exhibition Road, London, S.W.7. 10.30 and 14.30 Saturday, 20th November.

Phone the BGA on 01-930 9368 for more details. If you can't come we'll send you the "Guide to Selected Business Schools," an excellent information source at only £2.50.

هكذا من الاصل

ACCOUNTANCY APPOINTMENTS



Systems Accountant

As a result of continued growth internationally, Portakabin Limited, Europe's foremost manufacturer of instant accommodation units, is seeking to appoint a Systems Accountant to supplement its accounting management team.

This is a new appointment, reporting to the Controller and carries responsibility for the up-dating, development and audit of current and new systems and procedures associated with both accounting and general administrative matters for the Portakabin Group of Companies in the UK & Western Europe. This will include the further application of a computer processing facility and the overall control of a wide range of duties relating to office services.

The successful applicant, male or female, will probably be a qualified accountant with experience as outlined, or hold O & M experience and qualifications gained in an accounting environment.

The position, based at the Company's Head Office and main Production Centre, located near the attractive city of York, will attract a good salary. Company car or generous car allowance and entitlement to membership of a non-contributory pension and life assurance scheme.

Written applications, giving full personal details, experience and present salary, or requests for an application form, should be forwarded to:

Roger Wood,
Personnel Services Manager,
Portakabin Limited.
New Lane, Huntington,
York YO3 9PT
Telephone York (0904) 28960

Portakabin

Self contained instant accommodation

Financial Controller

West Midlands

An American based international company engaged in the production of petrochemicals wishes to appoint a Financial Controller to lead the finance function of a U.K. subsidiary, Reporting to the U.K. Board, the man or woman appointed will be responsible for financial and management accounts, planning, budgeting, credit and cash management, and will control a staff of some 12 people. Candidates, ideally aged 35-45, should be qualified accountants, preferably chartered, with substantial commercial experience in the above areas. They should have the presence and personality to play an active part within the company's senior management. Starting salary is open to negotiation, but will not be less than £7,500. Usual other fringe benefits apply including generous re-location expenses. The job is situated in an attractive part of the West Midlands.

(PA Personnel Services Ref. AA41/5802/FP)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Financial Accountant

Postal Headquarters

£8,789 - £10,614

In this London based post this successful candidate will be responsible for the preparation of the financial accounts of the Postal Business and for advising on all matters affecting those accounts. The holder of the post will have an important interface with the management accounts of the business and will also be responsible for overseeing the charging arrangements for Government Departments, accounts for overseas services and for the supervision of the Postal Headquarters Cashier's Office. The holder of the post will control a staff of 150.

Applicants, who may be either men or women, will normally be aged at least 35 and will be Chartered Accountants or Certified Accountants with service gained in a professional accounting firm and will preferably also possess a Cost and Management Accountant qualification. They should have gained extensive experience within professional accounting firms in dealing with the accounts of large undertakings and should also be able to demonstrate considerable experience of preparing financial reports for senior management of a large organisation.

Starting salary will be within the range quoted. Other conditions are also of a high standard and wide career opportunities exist within the Post Office. Please write or telephone (01-432 5293) for an application form to Miss H. M. Pritchett, Room 329 Postal Headquarters, St. Martin's-le-Grand, London EC1A 1HQ. The closing date, by which all applications must be received, will be 8th December 1976.

The Post Office

Systems Accountant

Our client, a major engineering company, with an outstanding record of achievement requires a Senior Accountant to take on a new group role.

The basic responsibility of the new Group Development Accountant will be to ensure that accounting systems are developed throughout the Group to fulfill the management requirements of the corporate plan. A great deal of work needs to be done to rationalise the differing procedures used in a multi-site operation.

This job requires a high level of professional knowledge and practical experience of tackling similar situations. Candidates must be able to demonstrate success in designing and implementing real-time data based accounting systems in a manufacturing environment.

Candidates (either male or female) must have the ability to analyse highly complex requirements and devise appropriate solutions. They must also be able to communicate with people of differing levels of ability to ensure that the procedures are actually adopted.

As there is some urgency in filling this vacancy candidates are asked to either send a CV or phone for an application form. At this stage all approaches will be treated in strictest confidence.

Cambridge Recruitment Consultants
94 King Street, Cambridge CB1 1LN.
Tel: 0223 311316.

International Group Accountant

Letraset

Letraset International operates world-wide with overseas sales accounting for over 85% of the Group's £25 million turnover. It has achieved significant international growth and has subsidiary companies operating in well over 20 countries.

The position of Group Accountant takes responsibility for the international financial accounting activities of the Group and primarily involves the preparation of the consolidated financial accounts and responsibility for Group accounting policies. The vital task will be to decide on the acceptability of information and its contribution to commercial growth rather than simply process data.

Candidates, male or female aged 27 to 35 and qualified (probably ACA), must have either experience within an international company with overseas operating subsidiaries or still be working within the profession with active involvement in international consolidations. A good UK and international tax background and knowledge of Price Commission procedures will be particularly useful.

Location is Central London and salary will be negotiable to start around £8500. Relocation assistance given where necessary.

Replies should contain sufficient information to establish a fit to this appointment as application forms will not be issued unless significant gaps occur in the C.V. Details quoting reference GA/214 to G. J. Cassell, Managing Director, NAG (New Appointments) Limited, Personnel & Selection Consultants, 5 Park Road, Sittingbourne, Kent, ME10 1DR.

New Appointments Group
Personnel Consultants
nag

TAXATION SPECIALIST

Chartered Accountants — London EC2

£9,000 neg.

A Medium-sized firm of Chartered Accountants with offices in the City and elsewhere offers a potential partnership opportunity to a person with first class knowledge and experience of corporate and personal taxation.

The successful applicant will already be specialising in taxation and will be able to advise partners on all taxation matters and their effect on companies and individuals. Every facility will be given to develop a very extensive knowledge of this subject and build a small but expert team to assist the firm's varied clientele.

The starting salary will properly reflect the qualifications and experience of the person appointed and the importance the partners attach to this new appointment.

A detailed curriculum vitae, which will be treated in the utmost confidence, should be sent in the first instance to:—

Ref. 398.

InterAd Limited
Cliffords Inn,
Fetter Lane, London EC4A 1EA.

CHARTERED ACCOUNTANT

Public property investment and development group, with gross assets of nearly £30m., requires a young Chartered Accountant for the position of assistant group accountant. A competitive salary is offered and there is a non-contributory pension scheme.

Write Box A.5753,
Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL CONTROLLER LAGOS £15,000 + (TAX FREE)

A major transport, shipping and forwarding company urgently seeks a qualified Accountant for their holding company in Lagos, from which the suitable candidate will have control of four subsidiary companies and will report directly to the Company Chairman. A married person is preferred but others will be considered. Benefits include free accommodation, car, medical expenses and annual leave in the U.K. Preference will be given to applicants who are free to take up this appointment at an early date.

Write or telephone in the strictest confidence today.
R. T. Eves,

Eves Little Associates
International Recruitment Specialists
38 Bow Lane London EC4M 9DT Tel: (01) 236 5881/2/3

Our client, a leading international service company to the oil industry is currently seeking a

NEWLY QUALIFIED ACCOUNTANT

Salary c. £5,500

to work in our European Regional Head Office in Central London to assist our Tax Manager. The duties will be mainly concerned with tax accounting i.e. preparation of branch accounts etc., for tax purposes—full training will be given.

If you are aged 23/27 and have recently qualified as an A.C.A. or A.C.C.A. we should be interested in hearing from you.

We offer the usual fringe benefits associated with a major company including free life assurance, contributory pension scheme, L.V.s, 4 weeks holiday and season ticket loan scheme.

Please write, in confidence, giving details of age and qualifications, to The Appointments Manager, ref. 441 Mervyn Hughes Advertising Ltd., 59 St. Mary Axe, London EC3. Applications will be forwarded direct to the client concerned.

CORPORATE FINANCE

Chartered Accountant, possibly a graduate, with about two years' post-qualifying experience preferably in investigations, required to assist in growing Corporate Finance Division of a City Merchant Bank.

Write with curriculum vitae to:

The Personnel Officer
TOZER STANDARD AND CHARTERED LIMITED
28 Great Tower Street, London EC3R 5DE

ACCOUNTANCY APPOINTMENTS
appear every Thursday
RATE £11
per single column centimetre

GENERAL APPOINTMENTS

Manager, Trade Credit

Our Client, a major automotive engineering company, with an outstanding international track record wishes to strengthen its central treasury function. To achieve this objective the appointment of a new Manager, Trade Credit needs to be made as soon as possible.

The appointment calls for a first-class track record in all branches of credit management for a large multi-national manufacturing/trading operation. Experience will include use of modern methods of market/customer/supplier research, analysis and forecasting, contract analysis and negotiation, negotiation of export finance and insurance facilities etc.

This job requires a blend of personal characteristics which will include initiative, adaptability and ingenuity in meeting new situations and changing conditions, together with the maturity to cope with situations which require tact and diplomacy allied to firmness.

The position will carry a remuneration package specially designed to attract people of the right calibre. The job is open to both men and women.

Applications should be addressed personally to Geoffrey King, Managing Director at the address below. At this stage all approaches will be treated in the strictest confidence.

Cambridge Recruitment Consultants,
94 King Street, Cambridge CB1 1LN.
Tel: 0223 311316.

INTERNATIONAL BANKING

£3,000—£5,000

A number of the more progressive City International Banks are now selectively recruiting for 1977.

Several really good opportunities have thereby been created, aimed especially at those with some experience of

EURO-CURRENCY LOANS
ACCOUNTING
DOC. CREDITS
FOREIGN EXCHANGE

To explore these possibilities in detail Telephone John Chiverton, A.I.B. on 01-485 7711
DAVID WHITE ASSOCIATES LTD.

GENERAL APPOINTMENTS are continued to-day on the following page

Leasing Executive

Midland Montagu Leasing Limited, a member of the Midland Bank Group is seeking to appoint an executive to join its "big ticket" management team based in London.

The successful applicant will be in the age group 28–35 and will have obtained a professional qualification in law, or accountancy, or a business school degree.

The "big ticket" management team is responsible for negotiating large specialized leasing contracts and managing specific investments and applicants should, therefore, have obtained experience of these matters in the Leasing industry, Banking, or Merchant Banking.

The commencing salary is negotiable, dependent upon experience, and certain fringe benefits are available.

Please write giving details to:
Mr. A. Ravenscroft, Director,
Midland Montagu Leasing Limited,
Gillett House, 55 Basinghall Street,
LONDON EC2V 5DN.

Midland Montagu Leasing Limited

TREASURY ADVISOR

Due to internal promotion our European Headquarters Group in London has a vacancy in a division of its Treasury Department.

The person we seek will be concerned with analysing and implementing financing programs for our subsidiary companies and for a wide range of investment projects. The position entails regular contact with senior Company management and the financial community.

The individual we are looking for will hold an M.B.A., and have had 2 to 4 years' experience in industry or banking. He/She must have an assertive personality, be a self-starter, and be able to contribute in a meaningful way to a young and dynamic department in the Company.

The base salary will match the calibre of the individual we seek.

Please apply in the first instance to:

Clare Hill
GULF OIL COMPANY
EASTERN HEMISPHERE
Gulf House, 2 Portman Street
London W1H 0AN
Telephone: 01-493 8040

Gulf

A new approach to your career.

If you are an able, experienced executive or professional person, yet somehow you are not making the most of your potential, perhaps you need a new approach to your career.

We specialise in assessing and developing senior people towards personal career satisfaction, to take charge of their own futures and to make the most of their talents and experience to achieve optimum personal and financial rewards.

If you're not entirely happy with the way your career is going, why not come and meet one of our professional Career Advisers, confidentially, without cost or obligation, and find out what our Executive Development Programmes could do for you. Telephone or write.

FREDERICK
CHUSID
& COMPANY LTD.

Consultants in Executive Evaluation and Career Advancement
London: 35 Fitzroy Street, W.1. Phone 01-637 2298
Paris: 6 Rue de Berri 75008. Phone 225-31.80
We are not an Employment Agency.

ASSISTANT TREASURER

We are an international merchanting corporation seeking an Assistant Treasurer. The successful candidate, who will report to the Treasurer, will be either a merchant banker or qualified accountant.

The Treasurer's Department's responsibilities include sterling and foreign exchange management, credit control and cash fore-casting.

This is an interesting and progressive position which requires an in depth knowledge of Foreign Exchange and offers an excellent opportunity to gain experience in corporate finance. Attractive salary and substantial additional benefits.

Apply in confidence with details of career to date to:

The Secretary
Amalgamated Metal Corporation Limited
2 Metal Exchange Buildings
London EC3V 1LD

GENERAL MANAGER

Age 55-60 (Early Retirer)

NIGERIAN INSURANCE COMPANY

up to £10,000 p.a.

Plus House, Car, etc.

Three-year contract to take over the Administration of a small, profitable company with rapidly expanding fire, accident, motor and marine account. Experience required at senior level in insurance company administration and management with ability to lead and train others.

Apply in strict confidence to:
A. P. Moore ACII.
7 Wine Office Court,
London EC4A 3BY.
Telephone: 01-353 1838.

Career plan LIMITED

ASSISTANT GENERAL MANAGER

(PRINTING)

George Pulman and Sons of Bletchley, Bucks, are seeking applicants for the new post of assistant general manager. The duties will include taking complete charge under the general manager for the works operations which include colour studio, litho platemaking, heatset web and sheet offset printing, magazine binding and despatch, production scheduling and supporting and ancillary services. The successful applicant will have a proven record in the efficient organisation and control of similar facilities, will be accustomed to high standards of quality in both colour and monochrome work and be experienced in current management accounting systems.

Preferred ages 35-45. The salary is negotiable and a company car and other benefits are provided. Appointment to the Board may be expected to follow.

Applications should be addressed to:

P.O. Box JRR
UNITED PRINTING SERVICES,
23-27 Tudor Street,
London EC4 0YR

GENERAL APPOINTMENTS

CONTRACTS AND TENDERS

UNITED ARAB EMIRATES

International Tender No. MH/51/76 to import and equip Ministry of Health projects in UAE with equipment and other medical requirements

1. The Ministry of Finance and Industry invites the specialised firms and companies to tender for the above mentioned items.
2. Tender documents can be obtained from the Ministry of Finance and Industry (Purchasing Department), Abu Dhabi and Dubai during working hours, against non-refundable payment of DHS. 3000/- (DHS. Three thousand only).
3. The initial deposit in the form of Bank Guarantee for not less than 50% of the total value of tender, valid for 90 days from the closing date must accompany the tender.
4. The tenderer awarded with this tender or a part of it, must present a final deposit for 10% of the total value of items awarded to him in the form of unconditional Bank Guarantee issued by one of the operating Banks in UAE, valid until the last specified date for importing the same.
5. Tenders either to be put in the prepared box in the Ministry of Finance and Industry, Dubai or sent by registered mail to:

POST BOX 1565
DUBAI/UAE

not later than 10.00 am Saturday January 22nd, 1977 the closing date, addressed to:

(TENDERS COMMITTEE)
MINISTRY OF FINANCE
AND INDUSTRY
DUBAI, TENDER No. MH/51D/76

Signed by
Deputy Minister

CORPORATION LOANS

Peterborough City Council Bonds

A minimum of £10,000 **14%**

A minimum of £1,000 **13½%**

2-3 years

City Treasurer, Town Hall, Peterborough PE1 1HQ
Telephone: 0733 63141 ext. 316

APPOINTMENTS WANTED

PUBLIC NOTICES

BOURNEMOUTH CORPORATION BILLS
£900,000 Bills issued 17.11.76, maturing 16.2.77 at 14 13-64ths%. Applications totalled £9m. Bills outstanding £900,000.

STRATHCLYDE REGIONAL COUNCIL
£6,000,000 Bills issued 17.11.76, *maturing 16.2.77 at 14-11-64ths%. Applications* totalled £63m. Bills outstanding £24m.

TAMESIDE METROPOLITAN BOROUGH COUNCIL
£2,000,000 Bills offered 12.11.76 for payment 17.11.76 due 16.2.77 at 14¼%. Applications totalled £24m. £2m. Bills outstanding.

COMPANY NOTICES

UNILEVER LIMITED

NOTICE IS HEREBY GIVEN that REGISTRATION OF TRANSFERS of ORDINARY SHARES in the Company will be suspended for one day only on the 3rd December, 1976, for preparation of dividend warrants payable on the 17th December, 1976. Transfers of Ordinary Shares lodged after the close of business on the 2nd December, 1976, will be registered ex dividend.

BY ORDER OF THE BOARD.
J. D. KEIR,
Secretary.

Port Sunlight,
Wirral,
Merseyside.
17th November 1976.

N.B. In accordance with the current procedure of The Stock Exchange, London, the 25p Ordinary Shares in Unilever Limited will be quoted ex dividend on the 29th November, 1976.

American Shares each representing four 25p Ordinary Shares in Unilever Limited

The arrangements between Irving Trust Company (Irving) and the Company for the issue by Irving in New York of Depositary Receipts for American Shares against the deposit with Irving in London of 25p Ordinary Shares in Unilever Limited provide that acceptance of ex dividend shares tendered to Irving in London for deposit on or before the record date fixed by Irving in New York for payment of a dividend on the American Shares shall be deferred until after such record date.

The record date fixed for the interim dividend for 1976 on the American Shares is 2nd December, 1976.

ADKAM TIN BERHAD
(Incorporated in Malaysia)

The Transfer Books will be CLOSED from 10th to 13th December, 1976, both dates inclusive.

RANSOMES SIMS & JEFFERIES, LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER REGISTER for the DEBENTURE STOCK will be CLOSED from the 17th December to the 24th December, 1976, both dates inclusive, for the preparation of interest warrants.

By Order of the Board,
L. W. BRYANT, Secretary.
Nacton Works, Ipswich.

TONGKAH HARBOUR TIN DREDGING BERHAD
(Incorporated in Malaysia)

The Transfer Books will be CLOSED from 10th to 13th December, 1976, both dates inclusive.

THE RIO TINTO-ZINC CORPORATION LIMITED

NOTICE
To holders of Warrants to Bearer for 3.5% "B" Cumulative Preference Shares of £1 each

NOTICE IS HEREBY GIVEN that a dividend of 1.75p per Share will be paid on 4th January 1977, in respect of the half-year ending 31st December 1976 on the issued 3.5% "B" Cumulative Preference Shares of £1 each.

Under the imputation tax system in force in the United Kingdom, this dividend will be payable without deduction of United Kingdom tax and for Shareholders resident in the United Kingdom, will carry a tax credit equal to thirty-five sixty-fifths of the dividend (equivalent to 35 per cent. of the total of dividend and tax credit). Where a double tax agreement so provides, Shareholders resident outside the United Kingdom will obtain a tax credit, against which some United Kingdom tax may fall to be offset.

Payment of this dividend will be made in the case of holders of Share Warrants to Bearer after presentation, in accordance with the Exchange Control Act 1947, of Coupon No. 29 at any of the undermentioned offices:—

The Rio Tinto-Zinc Corporation Limited. (Registered Office),
6 St. James's Square, London.
SW1Y 4LD.
The Rio Tinto-Zinc Corporation Limited. (Transfer Office)
Central Registration Limited.
1 Redcliff Street, Bristol BS1 6NT.
Banque Rothschild,
21 rue Laffitte, 75009 Paris, France.
Banque Bruxelles Lambert S.A.,
2 rue de la Regence, 1000 Brussels, *Belgium*.
Societe Generale de Banque
3 Montagne du Parc, 1000 Brussels, Belgium.
Banque Generale du Luxembourg S.A.
14 rue Aldringer, Luxembourg.
Banque Lambert—Luxembourg S.A.
11 Boulevard Grande-Duchesse Charlotte Luxembourg.
Societe de Banque Suisse,
CH 4002 Basle, Switzerland.
Union Bank of Switzerland
Bahnhofstrasse 45, CH 8021, Zurich, Switzerland.
Credit Suisse,
Paradeplatz 8, CH 8021, Zurich, Switzerland.

Coupons, which must be listed on special forms, which can be obtained on or after Monday 22nd November 1976, at any of the above offices, may be deposited on or after Monday 6th December 1976. Coupons presented for payment in the United Kingdom must be left FIVE CLEAR DAYS for examination.

Shareholders should note that under the Company's Articles of Association adopted on 20th May 1970, provision is made for the forfeiture of the above dividend if not claimed within 12 years from 22nd September 1976.

By Order of the Board,
D. A. STREATFEILD,
Secretary.
6 St. James's Square,
London SW1Y 4LD
18th November, 1976.

THE RIO TINTO—ZINC CORPORATION LIMITED

NOTICE
To Holders of Warrants to Bearer for Ordinary Shares of 25p each

NOTICE IS HEREBY GIVEN that an interim dividend of 3.18p per Share will be paid on 4th January 1977, in respect of the year ending 31st December 1976 on the issued Ordinary Shares of 25p each.

Under the imputation tax system in force in the United Kingdom, this dividend will be payable without deduction of United Kingdom tax and for Shareholders resident in the United Kingdom, will carry a tax credit equal to thirty-five sixty-fifths of the dividend (equivalent to 35 per cent. of the total of dividend and tax credit). Where a double tax agreement so provides Shareholders resident outside the United Kingdom will obtain a tax credit, against which some United Kingdom tax may fall to be offset.

Payment of this dividend will be made in the case of holders of Share Warrants to Bearer after presentation, in accordance with the Exchange Control Act 1947, of Coupon No. 32 at any of the undermentioned offices:—

The Rio Tinto-Zinc Corporation Limited. (Registered Office),
6 St. James's Square, London
SW1Y 4LD.
The Rio Tinto-Zinc Corporation Limited. (Transfer Office).
Central Registration Limited.
1 Redcliff Street, Bristol BS1 6NT.
Banque Rothschild,
21 rue Laffitte, 75009 Paris, France.
Banque Bruxelles Lambert S.A.,
2 Rue de la Regence, 1000 Brussels Belgium.
Societe Generale de Banque,
3 Montagne du Parc, 1000 Brussels, Belgium.
Banque Generale du Luxembourg S.A.,
14 rue Aldringer, Luxembourg.
Banque Lambert—Luxembourg S.A.,
11 Boulevard Grande-Duchesse Charlotte, Luxembourg.
Societe de Banque Suisse,
CH 4002 Basle, Switzerland.
Union Bank of Switzerland
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Paradeplatz 8, CH 8021, Zurich, Switzerland.

Coupons, which must be listed on special forms which can be obtained on or after Monday, 22nd November 1976 at any of the above offices, may be deposited on or after Monday, 6th December 1976. Coupons presented for payment in the United Kingdom must be left FIVE CLEAR DAYS for examination.

Shareholders should note that under the Company's Articles of Association adopted on 20th May 1970 provision is made for the forfeiture of the above dividend if not claimed within 12 years from 22nd September 1976.

By Order of the Board,
D. A. STREATFEILD,
Secretary.
6 St. James's Square,
London, SW1Y 4LD.
18th November, 1976.

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U.K. ECONOMIC INDICATORS

General	1976 Oct.	1976 Sept.	1976 Aug.	1975 Oct.	1975 Sept.
Unemployment ('000s)	1,377.1	1,456.4	1,501.9	1,166.4	1,249.1
Unfilled vacancies ('000s)	139.8	141.7	128.8	132.0	143.4
Currency reserves ($bn.)	4.703	5.158	5.029	5.710	5.859
Basic materials (1970=100)	327.1p	314.1	304.0	252.2	243.2
Manfrd. prods. (1970=100)	229.5p	226.3	223.4	197.0	194.9
Bank Advances (£bn.)	15.493	15.003	15.100	14.132	13.782
Retail prices (1974=100)	163.5	160.6	158.5	142.5	140.5
	Sept.	Aug.	July	Sept.	Aug.
Wage rates (July 1972=100)	217.4	217.3	217.2	184.9	184.3
HP debt. (£m.)¶	2,465	2,430	2,386	2,257	2,249
Retail sales val. (1971=100)	206.4	204.3	199.9	179.2	175.8
	Aug.	July	June	Aug.	July
Terms of trade (1970=100)	80.8	79.5	79.8	81.9	82.0
Industrial output (1970=100)	100.8	101.8	100.2	98.9	100.9

Trade and Industry	1976 Oct.	1976 Sept.	1976 Jan.-Oct.	1975 Oct.	1975 Jan.-Oct.
Steel, weekly average ('000 tonnes)	457.7	426.0	428.6	403.0	388.1
	Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
Imports fob (£bn.)	2.505	2.332	2.244	1.792	1.779
Exports fob (£bn.)	2.140	2.039	1.952	1.582	1.523
Visible trade balance (£bn.)	−0.365	−0.293	−0.291	−0.210	−0.258
Cars ('000s)*	100	80	111	120	107.9
Commercial vehicles ('000s)*	29.5	26.5	30.7	31.1	32.5
Houses completed ('000s)¶	28.5	24.0	25.8	28.3	24.9
Bricks (millions)*	485	414	456	453	410
Cement, weekly average ('000 tonnes)*	314	301	311	331	327
TV sets ('000s)‡‡	279	169	194	237	206
Radios, radiograms ('000s)‡‡‖	343	235	298.2	372	380
	Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
Man-made fibres (m. kgs.)*	43.82	46.72	50.97	40.77	45.71
Furniture (1970=100)††**	149	146	151	150	153
Petroleum (m. tonnes)h	5.360	5.715	6.562	5.015	6.600
Hosiery (1970=100)**	99	95	96.25	98	95.6
Electric cookers ('000s) f†	65.9	63.3	75.0	59.9	74.0
Washing machines ('000s)†	51.8	48.3	71.5	51.2	83.1
	July	June	Jan.-July	July	Jan.-July
Raw cotton, weekly average ('000 tonnes)§	2.19	1.91	2.31	2.66	2.14
Engineering orders on hand (1970=100)**	89	89	92.1	109	117
Raw wools (m. kilos)§	8.7	9.9	10.0	9.0	9.3
Machine tools (£m.)‡	28.0	27.5	30.5	26.1	26.5

	1976 3rd qtr.	1976 2nd qtr.	1975 3rd qtr.	1975 2nd qtr.	1975 Year
Consumer spending (£bn. 1970 values)	8.860g	8.789	8.729	8.839	35.413
Motor trade turnover (1972=100)	177	176	151	148	143
	2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	Year
Building and civil engineering (£bn.)e	3.163g	3.014	2.912	2.644	11.610

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. d Prices. f Including cooker griller toasters. e Value of output. ¶ United Kingdom not seasonally adjusted. g First preliminary estimate. p Provisional figures. h Deliveries of petroleum products for inland consumption.

ENTERTAINMENT GUIDE

BOOKS

Cheerful soul

BY C. P. SNOW

Footprints in Time: Memories by John Colville. Collins. £4.95. 287 pages

This column to-day isn't so much a review of Sir John Colville's book as an expression of gratitude. True, objectively the book is the most entertaining set of reminiscences (the sub-title is in fact "Memories") for long enough, and will make others, as it did me, laugh out loud. Subjectively, though, it touched me more deeply. It rescued me from a fit of depression.

It isn't often—I can speak only for myself, but I suspect that it is generally true—that one lies awake miserable about the state of the nation. It is fairly common, at various phases of life, to do so because of private worries, but not because of public ones. In my own case, I have done this latter in just two periods in a longish life. Once, and fairly frequently, in the nights before the last war, say between 1936 and 1939. Second, the present.

The first period returned to mind, nagging and threatening, when I read David Pryce-Jones life of Unity Mitford. That was too depressing to shrug off. How long can any society stagger on with a fraction of it hellbent on committing collective suicide? We have such fractions now. Before the war there were others, most conspicuously in café society or its affiliates in the lumpen - aristocracy. When you can't rely on such fractions, as that fine stalwart man, the American Military Attaché in 1940, Colonel Lee, used to say, you had better fasten your seat-belts. There were, and are, too many historical parallels.

It is here that Colville's book comes like a shot in the arm. It is a reminder that things are not always as bad as they seem, and that the worst doesn't always happen. Yes, there was a lumpen-aristocracy, frivolous, and in part worse than that. But there was another aristocracy acting as patriotically and gallantly as ever, of whom Colville himself was a good example and Churchill the inspirer. Just as there was a tough and patriotic working class, dominated by Ernest Bevin, as egocentric as Churchill but also as devoted and as strong. So somehow we clambered our way through that war, in spite of all mistakes, far more satisfactorily than a realistic man could hope for. There is a line in one of the old Anglo-Saxon poems: "Other things have passed, and so may this."

Colville was a Private Secretary of Churchill's, not to begin with the principal one, from 1940 with intermissions until the end of Churchill's second premiership. The intermissions were caused by the most honourable reasons. One was that Colville was determined to see active service, and so had spells as a fighter pilot, although he was getting rather old for the job and had to be fitted with contact lenses. There could have been, not an intermission but a termination, about a year before Churchill left office for the last time. Colville had been seconded from the Foreign Office, had several tours of diplomatic duty when Churchill was in opposition; and was finally offered the Headship of Chancery in Washington.

If he had been able to accept, he would probably have retired a year ago from one of the top posts in the service: which, like any official, he would have liked to fill. But, by the time of this offer, Churchill was very old and couldn't bear fresh faces around him. With unpretentious chivalry, Colville delayed taking up the appointment, and in the end it had to be given to another. Thus Colville became a merchant banker.

He must have been the most sympathetic private secretary any man ever had. He not only admired Churchill, but, what was much rarer, loved him. No-one has written about him so affectionately. Which is a refreshing change, especially after the discreet and postumous malice of the ineffable Sir Desmond Morton. Colville has all the virtues of the privileged and some of the defects: one being to embrace the established order of things, and everyone within it, as very nice indeed, the nearer the centre of things (in his early years Chamberlain, later and wholeheartedly Churchill) the nicer. But he does, though in the least savage way possible, make an exception of Sir Desmond Morton. In Whitehall during the War, one used to hear praise, in hushed tones, of the supreme wisdom of Morton. Now the figure becomes a good deal clearer.

On the whole, however, there is no resisting the attractiveness of the people in wartime No. 10. They were brave. They were clever (though curiously remote from any modern intellectual tendency whatsoever). They were gay (not to degrade that excellent word). They were high-spirited. And they could be remarkably amusing. Here Colville must have been in a class of his own. Churchill was very witty, but not really humorous. Lindemann was also witty, in a darker vein. Bracken was a dazzling story-teller. Colville on the evidence of this book was really funny, in a style for which I have been searching unsuccessfully for a comparison. It isn't quite deadpan, though it contains an element of that. It usually involves the humour of unspoken words, though his sense of language is sharp. It often depends on the humour of the situation. Perhaps one example will give some idea.

In August, 1940, the Master of Trinity, Sir J. J. Thomson, one of the greatest of English physicists, died at an advanced age but unexpectedly. The Mastership of Trinity is a Crown (that is the Prime Minister's) appointment. It is customary in these circumstances to ask the College's view. Colville, who was an old member of the College, was sent to inquire. He was told that Professor G. M. Trevelyan, whom the College would have liked, wouldn't consider the job: and so it would be better to leave the Mastership in abeyance for the rest of the War. This was thought sensible by everyone in Trinity. It was thought sensible by Colville. He wrote a Minute to Churchill recommending it.

However, it was not thought sensible by Brendan Bracken who extracted the Minute from the PM's box. It was essential, he decreed, in wartime to fill high appointments such as this. So Colville (who was only 25) concocted a plan. The plan depended on two elements, first that Lindemann was detested throughout the academic world, second that Lindemann was believed to be voracious for any post within reach. The second element, by the way, was quite untrue. Colville probably didn't know something that he might have added. Detestation apart, the great scientists of Trinity and there were plenty of Nobel prize winners about, would certainly have thought that, as a creative scientist Lindemann was nothing like good enough for them.

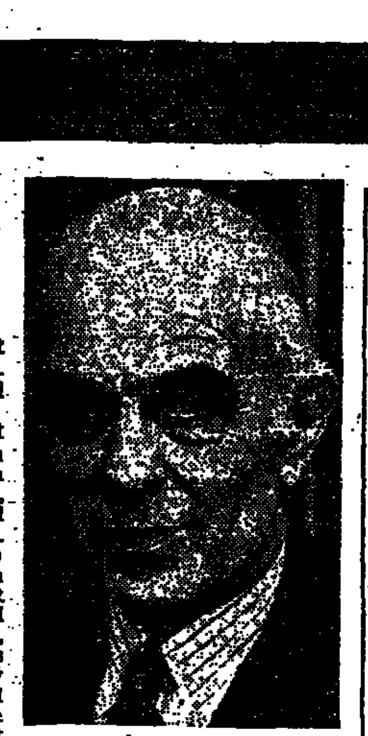
Colville revealed his plan to the sage J. R. M. Butler (a Trinity don on detachment to the War Office), obtained approval, and set off for Cambridge. Colville writes:—

"The Prime Minister was, I told Winstanley, unlikely to accept the College's recommendation. Should the Fellows be unable themselves to propose a suitable candidate, Mr. Churchill had one in mind. I made every effort to look grave and to imply, by my words and my demeanour, that as a loyal son of Trinity I was distraught by the message I brought. Winstanley blanched. Was it, he asked, somebody very close to the Prime Minister — a member of his entourage? I hesitated before indicating that I could answer no questions. The College must draw their own conclusions and decide.

As soon as I had gone, Winstanley summoned the Governing Body. They concluded, as he had, that it could only be the dreaded Lindemann whom the Prime Minister had in mind. Mass horror and hysteria seized them. In a body they left for Grange Road were Professor Trevelyan lived. On bended knee they begged him to save the College. Would he not sacrifice his own scholarly tranquillity to stave off the threat of a disaster such as Trinity had never suffered in all its long history? The Professor, aghast and stifled by emotion, gave way.

I was thus able to submit a new memorandum to the Prime Minister, approved by Brendan Bracken, stating that the Fellows of Trinity would like Professor George Trevelyan as their new Master. Mr. Churchill, who had no idea at all of what had been going on, expressed delight. Was not the Professor an Old Harrovian, whose literary style was above reproach and who, even if he had lapsed from grace by endorsing Macaulay's pernicious opinions about Marlborough, was nevertheless an expert historian of Mr. Churchill's own favourite period, the reign of Queen Anne? An enthusiastic letter of offer went from 10 Downing Street and Trevelyan accepted in no less felicitous terms."

That is pure Colville. Anyone suffering from depression will feel a lot better and certainly more joyous if he reads this book.


'Jock' Colville: life's little ironies

Mr. Norman's bank

BY CHARLES GOODHART

The Bank of England: 1891-1944 by R. S. Sayers. Cambridge University Press. Three volumes £40.00 (Vol. I and II, 680 pages, Vol. III, appendixes 403 pages.)

Despite his book's title, *The Bank of England: 1891-1944*, Professor Sayers mainly concentrates on the history of the Bank during the period 1914-39. During this period the Bank was dominated by two Governors, Cunliffe, Governor from 1913 to 1918, and Norman, Governor from 1920 to 1944. Cunliffe was an aggressive, determined and unattractive character, a bully. "He evidently had the advantage of knowing his own mind, perhaps not a difficult mind to know." After a good beginning, when he took a tough and successful line through the crisis at the outbreak of war in 1914, Cunliffe became increasingly autocratic and impossible. He brought about a constitutional quarrel with the Chancellor, and his colleagues began to wonder whether he had "crossed the frontier of sanity." There was "no love of this Governor."

Montagu Norman, on the other hand, was a professional and a "completely dedicated public servant," who inspired deep affection among his close colleagues, possessing exceptional personal charm despite being by choice a lone and passionately secretive man. The central interest of this book lies in the opportunity that it provides for an assessment and re-assessment of the role of Norman. Sayers obviously developed and transmits to the reader a real personal sympathy for Norman, but the final verdict on his actions must remain adverse.

Norman had an instinctive, not an analytical mind. At the end of his disastrous session before the Macmillan Committee, he pleaded in mitigation as follows:—

"Of course, you may complain of me, Mr. Bevin, and of those bankers you have seen, that the evidence they have given you comes through their nose and is not sufficiently technical or expert . . . I plead guilty to it myself to some extent, and it is a curious thing, the extent to which many of those who inhabit the City of London find difficulty in stating the reasons for the faith that is in them."

Unfortunately for this country faith and instinct are not enough. It was Norman's instinct, admittedly in concert with the conventional wisdom of the day, that a return to Gold must imply a return to the pre-war parity of 4.86. Subsequently, after 1931, operations in the gilt market came about,

"not as the result of any debate on high policy but as the instinctive reaction of a Bank, happening to be gaining in technical competence, to unwelcome developments. . . . The nebulous state of policy must be ascribed partly to absence of any leadership from the top. Internal monetary policy had never been Norman's forte . . ."

Even in those fields which he made his own, promoting international monetary reconstruction and harmonious relationships between Central Banks, his first article of faith was to seek independence for Central Banks from the influence of their respective Governments to an extent that, while it was still advocated by some (particularly in another paper), was even then politically naive: "The difficulties which arise are mostly the result of pressure, direct or indirect, of the various Governments from which the Banks have to be protected," Norman, evidence to an internal committee, reproduced in Appendix 16. Keynes' overall summary was, "Montagu Norman, always absolutely charming, always absolutely wrong!"

Although his main strategic objectives were determined by a fallible instinct, his tactical skills and ingenuity in following his chosen path were marvellous, and he showed remarkable flexibility and dexterity in responding to the unforeseen. In those fields of Central Banking where the main lines of strategy had already been settled, such as the role of lender of last resort and maintaining the health of the City, Norman had the operational and technical virtuosity to accomplish with great success. He excelled in personal diplomacy: he concentrated much of his limited physical strength in pursuing objectives, especially international monetary relationships and also the promotion of industrial rationalisation, in which such personal diplomacy was essential.

Sayers' book reflects the pattern of Norman's (and the Bank's) own interests, with lengthy chapters on international relations—which chapters did not continuously succeed in holding my interest—and a comparatively full account of Norman's (and the Bank's) structural activities in encouraging industrial rationalisation and as "the curator of financal organisation." Sayers does not seek to assess the effects of the Bank's actions on the economy in any great detail. This would have required him to adopt a theoretical basis wherewith to make that assessment, as Friedman and Schwartz did in their *Monetary History of the United States*.

Sayers consciously eschewed this, and noted, correctly, that the book is therefore not a monetary history of the period. It is instead a most careful, thoroughly researched, deeply thought, and beautifully written history of what the Bank was *doing* during these years. It must have been a difficult and even a discouraging task at times, because although Sayers can document *what* the Bank did, he could rarely document *why* the Bank did so. The book is dotted throughout by comments about the lack of any material in the archives setting out reasons or arguments for undertaking a particular course, let alone any quantified analysis.

The author states that his book "cannot satisfy economists," partly because it follows the Bank's own past tendency to fight shy of detailed statistical analysis. This statement is the only error that I detected in his whole book. It holds enormous interest and lessons for economists, and for a very much wider audience too. For example, reading the chapters on the 1931 crisis and the gyration of sterling thereafter (4.86 September 1931, 3.24 December 1931, 3.77 March 1932, 3.14 November 1932, 5.50 November 1933) against the background of the 1976 sterling crisis makes one wonder afresh why anyone should believe that adjustment under floating rates would be smooth and stable.

More generally the book illustrates, within the important microcosm of the Bank, a number of reasons for the decay of Britain. It was run at the start of the period "by visiting amateurs assisted by working clerks." Only slowly, with the force of necessity pushing against the encrusted conservatism of its traditions, did the Bank become a professional institution. Meanwhile the main energies of those in charge were expended in international do-goodism beyond our fundamental capacities, while domestic problems were left unattended and unresolved.

Fiction

Poles apart

BY ISABEL QUIGLY

Polonaise by Piers Paul Read. The Alison Press/Secker and Warburg, £3.90. 347 pages

The Doctor's Wife by Brian Moore. Cape, £3.50. 277 pages

Slapstick by Kurt Vonnegut. Cape, £3.50. 243 pages

Until the Colours Fade by Tim Jeal. Hamish Hamilton, £4.50. 475 pages

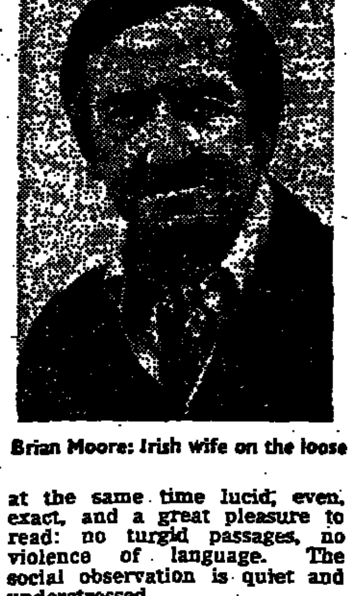
In *Polonaise* Piers Paul Read uses a device he has used before —in *The Upstart*, for instance. His central character leads two lives, that of his own actions and circumstances, and the imaginative life of his writings. The two overlap, of course, life sometimes being more dramatic, or erotic, or unexpected than anyone imagines it, and in Stefan's life they overlap in a final incident in which the violence he has generally kept in his notebook erupts on a Cornish picnic.

It does so undiscovered, for who would imagine a Polish nobleman in exile pushing a rival to his nephew's chances over a cliff while showing him how to dance the polonaise? Life has been dramatic enough for Stefan Kornowski, as it has been for all Poles of his age, but under ordinary social, English circumstances even he has not, until then, envisaged murder. The house party with its dull ritual closes over it, a memorial service is held, happiness seems assured (as much as anything can seem assured) for the nephew, and the possibility of getting away with murder is enticingly made to seem plausible, even easily achieved.

There's a Polish family in the 1920s and 1930s, decayed aristocrats turned Communists; their way of life and, at last, escape from Poland. Then, the late 1950s. The same family transferred to Paris and to bourgeois life and ideas—Gaullist, sedate. The son of the Communist partisan is now, after Downside and Oxford, working in a merchant bank.

His family now takes as paying guests, English girls learning French; among them Annabel, child of a wretchedly unhappy past once sexually not quite assaulted but at least approached by her father, and never really over it. The innocent Teofil is just what she needs, as Uncle Stefan sees. "I feel like a character in a book," she tells Stefan, about whom she in turn has fantasies, "a book you are writing. The paper is blank. I am blank. I am waiting for you to put some life into me . . . what's been written already won't do. Someone must cross it out and start again." Teofil does, after the murder.

Polonaise is elegantly written. Concerned as it is with the dark underside of the mind, with feelings at odds with action, with the viciousness as well as the rightness of instinct and with secret as opposed to social truths, it has, nevertheless, a beautifully organised exterior, a style both transparent and dense: suggestive, in the best sense, and


Brian Moore: Irish wife on the loose

at the same time lucid; even, exact, and a great pleasure to read: no turgid passages, no violence of language. The social observation is quiet and understressed.

Brian Moore also has violence as a background to his action in *The Doctor's Wife*. The heroine comes from Belfast where her husband Kevin, an unattractive surgeon with a barking laugh, is overwhelmingly busy patching up what's left after the bombings, and everyday life is all anxiety about who gets home when, and what may have happened where. Sheila Redden is on her way to the south of France for her first foreign holiday since her honeymoon in Villefranche 16 years ago.

In Paris she meets an American 11 years younger than herself who follows her south, and, after those 16 years of dull fidelity, takes off into a tempestuous affair. From Belfast, on the end of the telephone, Kevin and her son Danny try, and fail, to communicate with her. So does her brother, another doctor, a good, badgered man she feels closer to, in a way, than she does to anyone. They part at the Zoo gate on Primrose Hill, the future stretching mistily, even mysteriously, ahead.

Of course Brian Moore writes with enormous competence. Keen-eyed and eared, soft-spoken, low-keyed this time, he seems to be putting down a rather banal story, with little added, explained or even commented on, the barest of bare bones; much implied, little said, though the descriptions are exact, almost clinical. But it disappoints. Somehow he fails to scoop, as he has so brilliantly done in the past, in the lower levels of feeling and consciousness, so that more and more one seems concerned with the brightly lit surface, the perfectly precise appearance and sound of things.

Slapstick is perfectly named, if rather tenuously connected with Laurel and Hardy, to whom Kurt Vonnegut dedicates it; a book whose sheer attractiveness no description can suggest, since it lies in a sort of cumulatively conjured atmosphere, a mild, sweet-sour sense of things expressed in terms so funny and so humane that, to my surprise, I found myself reading happily at three, four, even five in the morning. A mixture of science fiction, futurology, political and moral fable, and beautiful, flowing, fluent prose that suggests a nonsense poetry full of wisdom, it is, as I hope I've suggested, a highly appealing work.

Tim Jeal's *Until the Colours Fade* is that rarity to-day—a long, meaty, intelligent historical novel; not on the level of the other three but full of qualities like surprise, expectation and its fulfilment, dramatic description, and a real understanding of the physical enormities of old-style campaigns like the Crimea. Of its feeling for the period as a whole I'm doubtful: to me it suggests a modern eye rather than one seeing things within the limitations of its period. Still, it has plenty of good secondary qualities and for those, which again are rare enough, and particularly for winter fireside reading, two cheers and more than a bit.

Art of enjoying

BY T. C. WORSLEY

Try Anything Once by Raymond Mortimer. Hamish Hamilton, £6.95. 243 pages

I must declare an interest. Raymond Mortimer gave me the chance of my first literary apprenticeship as his assistant literary editor on the New Statesman and Nation and took the greatest pains to foster a proper approach to words, and how to handle them with some measure of style.

It is this very question of words and their handling that is the subject of the early sections of this varied selection from his essays, which cover painting and travel as well as books.

First one notices that Mr. Mortimer's own style is high mandarin—something very unfashionable. But then as a writer Mr. Mortimer is no doubt unfashionable: and this, I suggest, because he is about the last of The Men of Letters (Rebecca West is the only other I can think of). "A Man of Letters" is not and does not set up to be a critic: the comparative paucity of space allotted him each week nowadays would in any case make it impossible; it, in fact, forces him to be a "reviewer."

But the mainspring of a Man of Letters is quite simply a profound enjoyment of works of art backed by a very wide and deep acquaintanceship with the background of his subject, and of related subjects too. He is not a scholar, nor is he a creative writer doing a literary chore for money. He is an amateur in the best sense. He is able, too, if he is Raymond Mortimer, to communicate this enjoyment to his readers by taking every possible care to find the most fitting word, the most easily running of cadences, the most telling of cross-references and allusions. He is by nature discursive and allusive, much more so than can be squeezed into the Procrustes length of a review.

Mr. Mortimer has a fine eye for the human comedy and this derives from his two most marked characteristics, a widely embracing curiosity and a fund of sound common sense or rationalism. He is as interested in French writers as he is in English and in painters as well as writers. His essay on Cocteau is a prize specimen of his discernment, the shortcomings and the virtues nicely balanced.

Everyone interested in the things of the mind will find treasures in these essays. They will come away from them both tickled and informed. Mr. Mortimer makes it so easy for us to enjoy him: there is no sign of the midnight oil that I happen to know has gone into the writing. Polished, urbane, worldly, these essays will give great pleasure even to those who have already read them once in their original newspaper setting.

Crimes in short

BY WILLIAM WEAVER

Three Candles for the Dark by Rosemary Harris. Faber and Faber, £3.25, 208 pages

This starts out in the familiar (and fertile) lonely-girl-in-New York-apartment genre, but soon shifts to spooky-country-house. The important thing is that the lonely girl, Candida, who has a background of mental illness, is thoroughly real and appealing. Though sinister other people try to use her as a pawn, she never becomes lifeless. The house—or rather, the household—is chillingly monstrous, but not overdone.

Hammett by Joe Gores. MacDonald, £3.50, 251 pages

One day Joe Gores was talking with his agent, who said, "I wonder what would happen if somebody wrote a detective novel using Dashiell Hammett as the protagonist . . ." Here is the result, and it is not a very good novel. The writing is tough and banal ("there was a stubborn whipcord strength to this man"), and the reconstruction of San Francisco in 1928 is more dutiful than smooth. Was this exercise necessary? I wonder what would happen if somebody wrote a detective novel using Edith Wharton as the protagonist. Over to you, Mr. Gores.

The Deathless and the Dead by Anna Clarke. Collins. £2.95, 188 pages

Anna Clarke, in her excellent *My Search for Ruth*, revealed a deep love for Oxford and an engaging sense of its past. Here she deals with two past Oxfords: that of the late 1890's and that of a decade or so ago. The intersections are skilful, and the two chief characters—an uneasy, young, working-class scholar on his way to The Top and a villainous Sir Roderick, who has a strong sense of position (if not morals)—are perfectly counterpoised. This is Miss Clarke's special mixture of the everyday (an awkward tea-party, a landlady's stalled car) and the outrageous, in carefully-measured doses.

Wednesday the Rabbi Got Wet by Harry Kemelman. Hutchinson. £3.45, 312 pages

In 1965, Harry Kemelman wrote the prize-winning *Friday the Rabbi Slept Late*. Since then he has published four more Rabbi novels. Now, the sixth bring us to Wednesday. Only one more to go? Let us hope not, because these books have been unfailingly admirable. *Wednesday* gives up another generous slice of the community's life, with temple politics, business intrigue, and—almost casually—murder. The characters, as usual, are drawn with economy, yet strongly individualised. There are some excellent set scenes, notably a week-end "retreat" with a guru-like Rabbi and uncomfortable chairs. Give this book to a friend and you'll be doing a mitzvah.

Moderate gains—volume down

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 17.

MODERATE GAINS were scored on Wall Street to-day, when the market was bolstered on news that Opec may postpone a decision on an oil price increase and also that Dr. Arthur Burns, Federal Reserve chairman, may go along with a tax cut to stimulate the economy.

The Dow Jones Industrial Average gained 2.74 to 938.08 and the NYSE All Common Index put on 33 cents to $53.85, while rises led falls by a two-to-one majority. Trading volume, however, decreased 1.12m. shares to 19.9m.

Wall Street was heartened somewhat by reports that members of the Oil Producing Nations were being pressured to delay their December 15 meeting, where they are expected to raise crude oil prices significantly.

In addition the U.S. Government reported that personal income rose 0.7 per cent. in October, compared with a 0.4 per cent. rise in September.

Among Oils Exxon added $⅜ at $50½, Phillips Petroleum $1⅞ at $58⅞, Continental Oil $1⅛ at $36⅜ and Natomas $1½ at $32⅛.

Occidental Petroleum rose $½ to $18⅝—the Government of Venezuela cleared the way for a $25m. compensation payment to the company for assets nationalised last year.

RCA firmed to $¼ to $24⅜—the U.S. Government is dropping an anti-trust suit against the firm's NBC unit.

IBM improved $3⅞ to $267¼, Data General $⅞ to $45, Digital Equipment $1 to $52¼ and National Semiconductor $⅞ to $25⅞.

TWA put on $¾ to $11⅛ on an October profit compared with a loss last year.

Rohm and Haas gave way $1⅝ to $47—it revised downward its 1976 earnings projection.

Du Pont were down $1¾ at $125¼ — it cut its fourth quarter earnings estimate.

Montreal-based Alcan Aluminium fell $1⅞ to $21 in the wake of the election victory by the Quebec Separist Party. Genstar also gave up $1⅞ at $20½.

THE AMERICAN SE Market Value Index was up 0.06 at 98.29, while advances outnumbered declines by 323-to-253.

Great Basins Petroleum, the most active stock, firmed $⅛ to $5 on 161,900 shares.

Champion Home Builders were up $⅛ to $4⅝, Coachmen Industries $1⅞ to $14⅝, and Houston Oil and Minerals $1⅞ to $69⅞.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Alcan Aluminium	275,900	21	−1⅞
Kaufman & Broad	219,300	9⅞	+⅛
Amer. Tel. Tel.	218,200	60⅞	+⅛
General Motors	196,100	69½	+⅛
Walt Disney	184,900	45⅞	+⅞
Texaco	179,700	25⅞	+⅛
Occidental Petrolm.	172,300	18⅝	+½
Digital Equipment	164,200	52¼	+1
Johns Manville	161,300	34	+1
UAL	152,200	24⅛	+⅛

OTHER MARKETS

Canada again down

Rapidly retreating Quebec-based stocks dragged Canadian Stock Markets to further lower levels yesterday. All Quebec-oriented Mining and Industrial stocks were generally off at least $1.

The Industrial Share Index gave way 3.41 to 164.97, Golds 4.05 to 283.65, Banks 7.92 to 226.19, Western Oils 4.43 to 197.67, Utilities 2.35 to 133.43, Base Metals 1.29 to 77.93 and Papers 1.41 to 101.78.

Alcan lost $1⅞ to $20⅞, **Noranda** $1¼ to $29¼, and **Bell Canada** $1 to $45⅜.

Among companies analysts regard as dependent upon the capital spending cycle of Quebec, **Domtar** shed $⅜ to $16⅜, **Genstar**, $1⅝ to $19¾, and **Canada Cement** $⅞ to $8⅛.

Banks shed between $¼ and $2, although **Bank of Nova Scotia** fell $1½ to $40½.

PARIS—French prices fell back across the board in a very thin market.

Losses ranged as high as 7 per cent., with Metals and Constructions leading the fall.

Gainers against the general trend were **Parifrance**, **Eurafrance**, **Nobel-Bozel**, **Jeumont** and **Generale de Fonderie**.

Foreign shares also declined. International Oils, Gold Mines and Coppers all slid back.

BRUSSELS—Mostly lower after lively trading.

Non-Ferrous Metals gave ground, but Steels firmed a little.

Chemicals were lower, Oils finished steady. Holdings eased, while Electricals were little changed.

Declines predominated among U.S. shares in a generally lower International sector. South African Golds eased, while Dutch, German and French shares were all lower.

AMSTERDAM — Shares fell virtually across the board.

In markedly lower Dutch Internationals, **Unilever** shed Fls.0.6, prior to its third-quarter figures announced after the close.

GERMANY—Mainly lower in very quiet trading, due to a holiday at some centres.

The Bond Market was firm, with Public issues gaining up to DM0.20. The Regulating Authorities sold a net DM15m. nominal of stock.

SWITZERLAND — The downturn, which started early last week, continued and stocks closed broadly lower in average trading.

Insurances were mixed.

U.S. stocks were generally lower in quiet trading.

MILAN—Prices closed down for the third consecutive session, in the day devoted to settlements. The Index fell to its lowest levels for the past 19 years.

OSLO—Bankings were firm, while Shippings, Insurances and Industrials were quiet.

VIENNA—Narrowly mixed. Constructions recovered slightly, while Breweries were steady.

COPENHAGEN — Communications, Commodities and Industrials were mixed. Insurances lower, Banks little changed.

HONG KONG — Fractionally higher in slow trading.

New World moved up one cent to $HK1.42, **Wheelock A** 5 cents to 2.65, **Hong Kong Electric** 5 cents to 4.575, **China Light** 20 cents to 26.40, **Hong Kong Telephone** 10 cents to 26.00, **Hong Kong and Kowloon Wharf** 30 cents to 13.90 and **Hong Kong Dock** 10 cents to 0.30.

But **Jardine** were down 10 cents to 15.90.

TOKYO—Lower, but above the worst. Volume 210m. (220m.) shares.

Export-orientated shares, especially Motors, lost ground in early trading on reports the Common Market told Japan to take swift action to curb car exports to Britain, but some Motors later turned upwards on "cheap" buying.

Honda lost Y16 to 618, **Toyota** Y9 to 882, **Toyota Auto Body** Y28 to 450 and **Matsushita Electric** Y3 to 590.

Shipbuildings also fell on the EEC's demand for lower Japanese shipbuilding output, with **Mitsui Shipbuilding** losing Y2 to 116 and **Hitachi Shipbuilding** Y2 to 117.

Constructions, Fisheries, Textiles, Chemicals, Steels and Non-Ferrous Metals were all lower, but some Electricals turned upwards towards the close on selective buying.

AUSTRALIA—Generally lower on the downturn in commodity prices, the economic climate, and the Government's liquidity squeeze.

CSR shed 7 cents to $A3.55, **BHP** 18 cents to $A6.46 and its **Rights** 10 cents to $A2.35.

Minings were weak, with **Peko-Wallsend** losing 5 cents to $A3.65, **Pancontinental** 30 cents to $A7.70

Bank of New South Wales, however, rose 5 cents to $A4.90 and **Central Norseman** put on 10 cents to $A2.00.

JOHANNESBURG.—Gold shares *continued easier* in line with lower overseas bullion indications.

Mining Financials were also weaker. Coppers were idle with isolated dealings at easier levels, while Platinums were quiet and narrowly mixed.

Pound improves

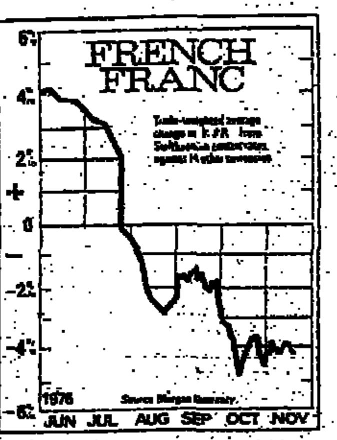
Sterling gained ground in the foreign exchange market yesterday following optimism about the visit to the U.S. of Mr. Harold Lever, Chancellor of the Duchy of Lancaster. The general trend of his talks and the response to the problem of the sterling balances led to a continued mood of optimism as far as the pound was concerned. Trading remained fairly quiet in the morning with the closure of the Frankfurt market, for a public holiday, contributing to the low level of business. Buying of sterling from Switzerland and New York was fairly heavy after mid-day however.

The pound opened at $1.6475-$1.6485 and was steady at $1.6510-$1.6520 before noon. Hopes of a successful conclusion to the negotiations with the IMF prompted an improvement to $1.6610-$1.6625 in the afternoon, and sterling closed at $1.6595-$1.6605, a gain of 1.70 cents on the day.

The pound's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, narrowed to 45.1 per cent. from 45.6 per cent., after standing at 45.3 per cent. at noon and 45.2 per cent. in early dealings.

The dollar's trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 2.22 per cent. from 2.11 per cent.

Gold fell $1¾ to $131½-$132½ in fairly quiet trading. The krugerrand's premium over its gold content widened to 3.70 per cent. for domestic and international delivery.



GOLD MARKET

	Nov. 17	Nov. 16
Gold Bullion (fine ounce)		
Close	$131½-132½	$133¼-134¼
Opening	$131-132	$135-136
Morning fix'g	$131.70 (£79.746)	$134.75 (£82.015)
Afternoon fix'g	$131.25 (£79.358)	$133.20 (£81.082)
Gold Coins domestically		
Krugerrand	$136-138 (£82-83)	$137-139 (£83½-84½)
New Sov'r'gns	$47-49 (£28½-29½)	$48-50 (£29½-30½)
Old Sov'r'gns	$48-50 (£29-30)	$46-48 (£28-29)
Gold Coins internationally		
Krugerrand	$136-138 (£82-83)	$136-138 (£83-84)
New Sov'r'gns	$47-49 (£28½-29½)	$48-50 (£29½-30½)
Old Sov'r'gns	$41-42 (£24½-25½)	$41-43 (£25-26)
$20 Eagles	$218-221	$219-222
$10 Eagles	$117-120	$116-119
$5 Eagles	$76-79	$76-79

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 17	Nov. 16
Sterling	0.699031	0.702246
U.S. dollar	1.15453	1.15365
Belgian franc	42.7914	42.8062
Deutschemark	—	2.79183
French franc	5.75315	5.75066
Italian lira	998.659	998.398
Japanese yen	340.670	339.519
Dutch guilder	2.92027	2.91989
Swedish krone	4.88585	4.87936
Swiss franc	2.81999	2.81894

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

FOREIGN EXCHANGES

Nov. 17 1976	Bank Rates %	Market Rates: Day's Spread	Close
New York	5½	1.6475-1.6625	1.6595-1.6605
Montreal	9½	1.6115-1.6300	1.6265-1.6285
Amsterdam	7	4.17-4.22	4.20-4.21
Brussels†	9	61.10-61.90	61.55-61.75
Copenhagen	11	9.77-9.85	9.83½-9.84½
Frankfurt	3½	3.99-4.05	4.01½-4.02½
Lisbon	6½	51.70-52.40	52.10-52.30
Madrid	7	112.60-113.70	113.45-113.65
Milan	15	1,425-1,468	1,455½-1,457½
Oslo	5	8.72-8.78	8.76½-8.77½
Paris	10½	8.21-8.29	8.27½-8.28½
Stockholm	8	6.97-7.02	7.01-7.02
Tokyo	6½	485-495	489-492
Vienna	4	28.25-28.75	28.5-28.70
Zurich	2	4.02-4.07	4.05½-4.06½

* Basic discount. † Rates given are for convertible franc: financial franc 61.55-61.75.

OTHER MARKETS

	£		Notes Rates
◆Argen'na	251.58-261.78	Argentina	475-476
Australia	1.5315-1.5465	Austria	27½-29
Brazil	19.40-19.69	Belgium	60½-62½
Finland	6.34-6.35	Brazil	21-23
Greece	60.340-61.867	Canada	1.61½-1.64½
Hong Kong	7.8903-7.9153	Denmark	9.70-9.90
Iran	114-118	France	8.15-8.35
Kuwait	0.470-0.480	Germany	3.95-4.15
Luxembg.	60.80-61.00	Greece	56-61
Malaysia	4.1965-4.2060	Italy	1440-1480
N. Zealand	1.7008-1.7178	Japan	485-500
Saudi Arab	5.75-5.85	Netherl'ds	4.1-4.3
Singapore	4.0681-4.0815	Norway	8.65-8.85
S. Africa	1.4284-1.4495	Portugal	51-55
U.S. —		Spain	110-116
Canada		Switzerland	3.95-4.15
C$1 —		U.S.	1.65-1.67
U.S. cents	102.06-102.09	Yugoslavia	33-35

* Basic discount. ◆ Rate given is official rate: BCRA rate 412.0-446.4.

EXCHANGE CROSS-RATES

Nov. 17	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Fr'nkfu't	—	2.4200-15	48.62-62	6.525-55	3.995-004	95.65-68	99.01-100.01
N. York	41.27-29	—	20.14-16	2.696-699	1.6510-6651	39.46-48	40.88-90
Paris	205.58-18	4.9802-9902	—	15.45½-46½	8.224-2485	196.8-97.2	203.915-315
Brussels	15.30-33	37.07-10	7.43-45	—	61.19-30	14.64-68	15.16-19
London	4.017-027	1.6595-6605	8.27½-28½	61.56-75	—	4.20-21	4.05½-06½
Am'rd'm	104.49-545	2.5292-5317	10.715-765	6.8225-75	4.1765-1815	—	103.54-59
Zurich	100.91-98	2.4439-46	49.00-05	6.595-90	4.0330-55	96.56-63	—

U.S.$ in Montreal. U.S.$=97.90-92 Canadian cents.
Canadian-$ in New York. C$=102.10-12 U.S. cents. U.S.$ in Milan 965.10-965.60.
Sterling in Milan 1428.50-1429.0

EURO-CURRENCY INTEREST RATES*

Nov. 17 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	15⅝-16⅞	4¾-5	8¼-9¼	9-9¼	3⅝-4⅛	¾-⅞
7 days notice	15⅝-16⅞	4⅜-5⅛	8½-9½	9-9¼	3⅞-4⅛	1-1⅛
Month	15-15½	4¾-5	8⅞-9⅛	8¾-9⅛	4¹⁄₁₆-4³⁄₁₆	1¹⁄₁₆-1³⁄₁₆
Three months	14⅞-15⅜	5⅛-5⅜	9⅛-9⅜	9⅝-9⅞	4⅜-4½	2³⁄₁₆-2⁵⁄₁₆
Six months	15⅝-17⅛	5⅝-5⅞	9⅛-9⅜	8-8⅜	4⁵⁄₁₆-4⁷⁄₁₆	2⁷⁄₁₆-2⁹⁄₁₆
One year	15-15½	6-6¼	9-9¼	7⅞-8¼	4⁵⁄₁₆-4⁷⁄₁₆	2⁷⁄₁₆-2⁹⁄₁₆

Euro-French deposit rates: two-day 10¼-10¾ per cent.; seven-day 10¼-10¾ per cent.; one-month 10½-10⅞ per cent.; three-month 11¼-11¾ per cent.; six-month 12¹⁄₁₆-12⁵⁄₁₆ per cent.; one year 12⅞-12¹¹⁄₁₆ per cent.

Longer-term Eurodollar deposits: two years 7-7½ per cent.; three years 7½-7⅞ per cent.; four years 8-8½ per cent.; five years 8¼-8¾ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 4⅝-4¾ per cent.; three-month 5¹⁄₁₆-5³⁄₁₆ per cent.; six-month 5⁷⁄₁₆-5⁹⁄₁₆ per cent.; one year 5¾-6 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

FORWARD RATES

	One Month	Three month
New York	1.50-1.40 c. pm	4.15-4.05 c. pm
Montreal	0.90-0.80 c. pm	2.50-2.40 c. pm
Amst'dam	2¼-1¼ c. pm	7¼-6¼ c. pm
Brussels	20 c. pm-par	40-20 c. pm
Cop'nhg'n	½ ore pm-¾ ore dis	1¼-5¼ ore dis
Frankfurt	1⅛-⅛ pf. pm	1⅝-1⅛ pf pm
Lisbon	5 c. pm-15 c pm	par-100 c dis
Madrid	200-210 c. pm	450-550 c. dis
Milan	2-17 lire dis	25-40 lire dis
Oslo	3¼-1¼ ore pm	10-8 ore pm
Paris	4-5 c. pm	7-6 c. pm
Stockh'lm	3-1 ore pm	7¾-5¾ ore pm
Vienna	25-15 gro pm	62-52 gro pm
Zurich	5-4 c. pm	13⅛-12½ c. pm

Six-month forward U.S. dollar 7.30-7.40c pm and 12-month 13.10-13.00c pm.

Indices

NEW YORK—DOW JONES

	Nov. 17	Nov. 16	Nov. 15	Nov. 12	Nov. 11	Nov. 10	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	938.08	935.34	955.42	927.69	951.48	924.04	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	89.97	89.90	89.79	89.69	89.69	89.53	89.97 (17/11)	85.68 (13/7)	—	—
Transport	216.40	215.44	212.95	211.31	211.76	210.50	[illegible] (14/7)	175.64 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	99.05	98.45	98.86	98.67	98.45	98.13	99.05 (17/11)	84.8 (26/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	19,900	21,020	16,710	15,550	15,250	18,830	—	—	—	—

* Basis of index changed from July 1.

	Nov. 16	Nov. 5	Oct. 29	Year ago (approx.)
Ind. div. yield %	4.35	4.07	3.98	4.43

STANDARDS AND POORS

	Nov. 17	Nov. 16	Nov. 15	Nov. 12	Nov. 11	Nov. 10	1976 High	1976 Low	Since compilation High	Since compilation Low
†Industrials	112.30	111.68	111.55	110.75	111.28	110.26	120.89 (21/9)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
‡Composite	100.61	100.04	99.90	99.24	99.64	98.81	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Nov. 10	Nov. 3	Oct. 27	Year ago (approx.)
Ind. div. yield %	3.89	3.75	3.61	3.68
Ind. P/E Ratio	11.14	11.53	11.52	12.02
Long Govt. Bond yield	6.36	5.39	6.36	6.07

N.Y.S.E. ALL COMMON

Nov. 17	Nov. 16	Nov. 15	Nov. 12	1976 High	1976 Low
53.85	53.52	53.42	53.10	57.51 (21/9/76)	57.06 (2/1/76)

Rises and Falls	Nov. 17
Issues Traded	1,853
Up	953
Down	463
Same	437
New Highs	48
New Lows	21

		Nov. 17	Nov. 16	Nov. 15	Nov. 12	1976 High	1976 Low
MONTREAL	Industrial	164.84	167.98	172.21	172.57	207.66 (19/3)	164.84 (17/11)
	Combined	165.39	168.88	172.74	172.95	199.78 (20/3)	165.39 (17/11)
TORONTO	Industrial	164.97	168.38	172.67	172.98	197.43 (20/2)	164.97 (17/11)
JOHANNESBURG	Gold	176.6	175.1	172.2	175.9	226.7 (12/3)	145.5 (2/6)
	Industrials	173.9	174.6	174.8	175.0	215.9 (21/5)	173.9 (17/11)

	Nov. 17	Previous	1976 High	1976 Low
Australia (a)	414.62	418.90	522.66 (19/8)	414.62 (17/11)
Belgium (b)	87.64	87.95	113.18 (2/2)	87.15 (22/10)
Denmark (d)	101.18	101.55	117.70 (19/8)	100.14 (14/10)
France (e)	53.9	54.4	74.3 (5/5)	52.5 (26/10)
Germany (f)	—	712.4	821.7 (17/5)	687.7 (29/10)
Holland (g)	84.6	85.3	102.5 (3/2)	77.9 (13/10)
Hongkong (h)	385.96	385.47	465.53 (17/6)	304.05 (2/1)
Italy (k)	66.00	66.48	91.67 (25/2)	64.95 (10/11)
Japan‡ (m)	346.09	346.16	369.81 (1/9)	326.26 (5/1)
Singapore (n)	248.50	248.90	286.16 (5/2)	236.30 (2/1)
Spain (p)	78.96	78.28	100.79 (7/5)	72.22 (11/11)
Sweden (q)	399.83	392.00	476.96 (10/6)	366.31 (3/11)
Switz'l'd (r)	261.5	263.1	298.8 (12/3)	260.5 (15/11)

Indices and base dates (all base values 100 except NYSE All Common—50 and Standards and Poors 10). (a) Sydney All Ord. (b) Belgian SE 31/12/63 (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953 (g) Amsterdam Industrial 1970 (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73 (m) Tokyo New SE 4/1/68 (n) Straits Times 1966 (p) Madrid SE 31/12/74 (q) Stockholm Industrials 1/1/58 (r) Swiss Bank Corp 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities 40 Finance and 20 Transport (c) Closed

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. φ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. ‡ Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Umlac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £ — 119½% (120¼%)

NEW YORK

Stock	Nov. 17	Nov. 16
Abbott Labs	50	48½
Addressograph	11	10½
Aetna Life & Cas	35¼	35
Air Products	31½	31
Airco	27	26½
Alcan Aluminium	21	22¾
Alcoa	53¼	52½
Allegheny Ludlm.	24⅛	24¼
Allegheny Power	21	21
Allied Chemical	36⅝	36⅛
Allied Stores	47	47
Allis Chalmers	24½	24½
Amax	53⅜	53⅛
Amerada	24⅝	24⅝
Amer. Airlines	12⅝	12
Amer. Brands	41	40⅞
Amer. Broadcast	38⅛	37¾
Amer. Can	35½	35⅝
Amer. Cyanamid	25¼	25⅛
Amer. Elec. Pow.	23	22⅞
American Express	38½	38½
Amer. Home Prod	31¼	31⅜
Amer. Medical	10⅝	10¾
Amer. Motors	3⅞	3⅞
Amer. Nat. Gas	38⅝	38⅛
Amer. Standard	26¾	26¾
American Stores	28	27
Amer. Tel & Tel	60⅝	60½
AMF	18⅝	18⅝
Ampex	6⅛	6¼
Anaconda	26⅝	25⅞
Anchor Hocking	27	27⅛
Anheuser Busch	24⅜	24⅛
Armco Steel	29⅝	29⅛
A.S.A.	20½	20¾
Asamera Oil	9⅜	9⅛
Asarco	15¼	15⅝
Ashland Oil	28⅛	28¾
Atl. Richfield	56⅛	55⅜
AVC	8⅛	8
Avco	13⅛	13¾
Avnet	10⅜	9⅞
Avon Products	46	45⅝
Balt Gas Elect.	27	26¾
Bank America	24¾	24¾
Bankers Tr. N.Y.	33⅝	33⅝
Barber Oil	30⅝	30¼
Beatrice Foods	27½	27⅜
Becton Dickinson	34	33½
Bell & Howell	17½	17½
Bendix	39	39⅝
Benguet Cons 'B'	1⅝	1¾
Bethlehem Steel	35⅝	35¾
Black & Decker	18	17¼
Boeing	41⅛	40¼
Boise Cascade	30½	30¼
Borden	32¾	32⅜
Borg Warner	26	25¾
Braniff Int.	9⅞	9½
Brascan 'A'	10⅛	10⅛
Bristol Myers	62¼	61¾
Brit. Pet ADR	12	11⅝
Brockway Glass	30½	29⅝
Brunswick	14⅝	14¼
Bucyrus Erie	25½	25⅜
Budd	17⅛	16½
Bulova Watch	6	6¼
Burlington Nthn	44⅛	45⅜
Burroughs	89½	90
Campbell Soup	33¾	33½
Canadian Pacific	15½	15⅜
Canal Randolph	7¼	7¼
Carnation	72¾	74
Carrier & General	13⅝	13⅞
Carter Hawley	20	20⅜
Caterpillar Tract	55½	54⅜
CBS	54⅛	54
Celanese Corpn	44¾	44¾
Central & S.W.	16⅜	16
Certain Teed	19⅝	16⅝
Cessna Aircraft	27⅜	27⅜
Chase Manhattan	27	26¾
Chemical Bk. NY	36⅞	36⅜
Chesebrgh Pond	24⅛	24½
Chessie System	36¼	36¼
Chicago Bridge	54½	54
Chromalloy	13⅝	13⅛
Chrysler	19	18⅞
Cinerama	1⅞	1⅞
Cinc. Milacron	29	28⅝
Citicorp	29⅜	29¼
Cities Service	54¼	53⅝
City Investing	13⅝	12¾
Coca Cola	78¾	78
Colgate Palm.	25½	25⅜
Collins Aikman	10¼	10⅜
Columbia Gas	26½	26¼
Columbia Pict.	5½	5⅜
Com. Ins Co of Am	12½	13
Combustion Eng.	43⅝	42½
Com'w'th Edison	31¾	31½
Com'w'th Oil Ref.	7	7⅛
Comm. Satellite	27⅞	27⅞
Con. Edison N.Y.	18½	18½
Conrail Foods	25¼	25
Consol Nat. Gas	29⅝	29¼
Consumers Power	21⅛	21⅛
Continental Gr'p	31⅞	31⅜
Continental Oil	36⅜	35½
Continental Tele.	15½	15½
Control Data	22	21¾
Cooper Indus	35½	34¾
Copper Range	20	19½

Stock	Nov. 17	Nov. 16
Corning Glass	65½	64
CPC Int'nation'l	43⅞	43⅝
Crane	26¾	26½
Crocker Nat.	24¼	24½
Crown Zellerbach	44¾	44¼
Cummins Engine	42	41¾
Curtiss-Wright	15¼	15½
Dana	27	26¾
Dart Industries	30¾	30⅛
Deere	30	29½
Del Monte	27	27
Deltona	5⅝	5⅝
Dentsply Inter.	29⅜	30
Detroit Edison	14½	14½
Diamond Shamrk	62⅝	61⅞
Dictaphone	10¼	10⅛
Digital Equip.	52¼	51¼
Disney (Walt)	45⅞	45
Dover Corpn.	37⅝	37
Dow Chemical	39⅜	39½
Dresser	38⅛	38¼
DuPont	125¼	127
Dymo Industries	8¾	8⅝
Eagle Picher	37	37
East Air Lines	8⅛	8½
Eastman Kodak	85⅛	85⅜
Eaton	39	38⅝
E.G. & G.	14¾	14¾
El Paso Nat. Gas	13⅝	13½
Eltra	26¼	25⅝
Emery Air Fr'ght	36⅝	35⅝
Emhart	30¼	30
E.M.I.	3⅝	3½
Engelhard Min.	31¾	31¾
Esmark	31⅝	31⅝
Ethyl	40	40¼
Exxon	50½	49¾
Fairchild Camera	39¾	39⅝
Fed. Dept. Stores	49⅞	50
Firestone Tire	22⅝	22⅝
Fst. Nat. Boston	25⅝	25
Flexi Van	10¾	10½
Flintkote	22	21½
Florida Power	29½	29⅝
Fluor	34⅞	35
F.M.C.	22⅛	21¼
Ford Motor	55	54⅞
Foremost Mck.	15	14½
Foxboro	44½	43¾
Franklin Mint	27⅝	26⅝
Freeport Minerals	27½	27⅜
Fruehauf	25½	25⅝
Fuqua Industries	10¾	10¾
G.A.F.	11¾	11½
Gannett	36¼	35⅜
Gen. Amer. Inv.	[illegible]	[illegible]
G.A.T.X.	27⅜	27⅜
Gen. Cable	16⅛	16¼
Gen. Dynamics	51⅛	50½
Gen. Electric	51¼	50⅞
General Foods	29½	29⅞
General Mills	33⅛	32¾
General Motors	69⅛	68⅞
Gen. Pub. Util.	18	17¾
Gen. Signal	30¼	30⅜
Gen. Tel. Elect.	29¾	29¼
Gen. Tire	24	24
Genesco	5	5
Georgia Pacific	37½	36½
Getty Oil	183½	182½
Gillette	25⅞	25¼
Goodrich B.F.	25⅜	24⅞
Goodyear Tire	22½	22⅜
Gould	24⅞	24⅞
Grace W. R.	26⅜	26⅛
Grand Union	15⅜	15⅜
Gt. Atlan Pac Tea	11¼	11
Grt. North Iron	16¾	17¼
Greyhound	14½	14½
Grolier	1⅝	1½
Grumman	16⅜	16⅜
Gulf & Western	16⅜	16⅛
Gulf Oil	26⅛	26
Halliburton	64⅛	63⅞
Hanna Mining	50	50¼
Harnischfeger	16⅛	16⅛
Harris Corpn.	50⅜	50¼
Heinz H. J.	29	28⅝
Heller W. E.	19⅜	19½
Heublein	44⅝	44¼
Hewlett Packard	83⅜	83¾
Holiday Inns	11¼	11⅝
Homestake	36⅝	35⅞
Honeywell	43⅜	42½
Hoover	10⅛	10⅛
Hosp Corp Amer.	23⅜	23⅛
Hutton E.F.	14⅛	14¾
I.C. Industries	18⅞	18¾
INA	41¾	41¾
Ingersoll Rand	74½	73⅝
Inland Steel	47⅝	47
Insilco	15	15
IBM	267.25	263.5
Intl. Flavors	21⅝	21¾
Intl. Harvester	27¾	27⅝
Intl. Min & Chem	38⅞	38¾
Intl. Multifoods	16⅞	16¾
Inco	29⅛	29½
Intl. Paper	66¼	66½
IPG	25¼	25¾
Intl. Tel & Tel	30¼	30⅜
Invest	1	1
Iowa Beef	34	33¾
IU International	10⅝	10⅝
Jim Walter	38⅞	38⅝

Stock	Nov. 17	Nov. 16
Johns Manville	34	33
Johnson Johnson	82¼	82⅝
Johnson Control	21½	21⅛
Joy Manufactu'g	44	44
Kaiser Alumin'm	30⅜	30⅛
Kaiser Industries	12⅝	12½
Kaiser Steel	29	28¾
Kay	4⅛	4⅛
Kennecott	26	26½
Kerr Magee	68	67½
Kidde Walter	27¾	27
Kimberly Clark	39	39½
Koppers	22¾	22¼
Kraft	44¼	44⅛
Kresge	41⅝	41⅜
Kroger Co.	22¾	22⅝
Levi Strauss	24¼	23⅞
Libby Ow Ford	32⅛	31⅞
Liggett Group	32⅝	32⅝
Lilly (Eli)	48⅛	48⅝
Litton Indust.	12¼	12⅛
Lockheed Aircraft	8	8
Lone Star Inds.	20⅜	20⅛
Long Island Ltd.	17⅝	17⅜
Louisiana Land	25½	25
Lubrizol	46⅝	45¾
Lucky Stores	13¾	13¾
Lykes Youngst'wn	15⅜	15⅛
MacMillan	6⅛	6⅞
Macy R. H.	32¼	31⅝
Mfrs Hanover	32¾	32⅝
Mapco	40	39¼
Marathon Oil	56	55¾
Marine Midland	9⅝	9
Marshall Field	19½	19½
May Dept. Stores	34	32¾
MCA	34	33¾
McDermott	47	46⅝
McDonnell Doug.	22⅞	21¾
McGraw Hill	14¾	14⅜
Merck	69	69½
Merrill Lynch	22¾	22
MGM	14⅜	14¼
Minn Ming & Mtg	56½	56⅛
Mobil Corp	55⅛	55⅞
Monsanto	81⅛	80¼
Morgan J. P.	51¾	52
Motorola	48	48⅛
Murphy Oil	20⅝	20⅞
Nabisco	45½	45⅜
Nalco Chemical	30½	29¾
National Can	13⅜	13⅜
Nat. Distillers	22⅜	22¼
Nat. Service Ind.	15¼	15
National Steel	43½	43¼
Natomas	32⅛	31⅝
NCR	32⅝	33¼
Neptune Int	16⅜	16⅛
New England El.	21	20⅞
New England Tel	33	32⅞
Niagara Mohawk	14⅜	14⅜
Niagara Share	11¼	11
N. L. Industries	17¾	17⅜
Norfolk & Western	30¼	29½
North Nat. Gas	40⅞	41
Nthn States Pwr.	28¾	28⅜
Nthwest Airlines	29⅞	28
Nthwest Bancorp	46¾	47½
Norton Simon	20¼	20½
Occidental Petrol	18⅝	18⅜
Ogilvy Mather	26¾	26½
Ohio Edison	20¼	20⅛
Olin	27⅛	26⅝
Overseas Ship.	19	18¾
Owens Corning	62⅜	61¾
Owens Illinois	52½	52
Pacific Gas	22¾	22¾
Pac. Lighting	18¼	18⅛
Pac. Pwr. & Lt.	21¾	21¾
PanAm World Air	4⅞	4⅞
Parker Hannifin	33½	33⅝
Peabody Galion	19	18⅛
Penn Pw & Lt.	21⅜	21¼
Penney J. C.	53½	52½
Pennzoil	29⅞	29¼
Peoples Drug	8	8⅛
Peoples Gas	41¾	41¼
Pepsico	77⅝	77
Perkin Elmer	19¼	19⅛
Pet	28½	27⅝
Pfizer	26	25¾
Phelps Dodge	36⅞	37¾
Philadelphia Elec	16¾	16⅝
Philip Morris	60⅞	60
Phillips Petrol'm	58⅞	57⅛
Pickwick Inter.	16¼	16
Pillsbury	37¼	37⅝
Pitney Bowes	14	14
Pittson	26	26½
Plessey Ltd ADR	8½	9
Polaroid	37¼	37⅛
Potomac Elec.	14¼	14⅛
PPG Industries	49⅝	49⅞
Procter Gamble	93	92⅛
Pub. Serv. Elect.	22⅝	22½
Pullman	33	43¼
Purex	17⅛	17¼
Quaker Oats	23⅛	23⅝
Rapid American	5	4½
Raytheon	60	59⅞
RCA	24⅜	24¼

Stock	Nov. 17	Nov. 16
Republic Steel	31¼	30⅞
Revlon	44¼	44½
Reynolds Metals	36	35⅝
Reynolds R. J.	65	63¾
Rich'sons Merrell	22¾	23
Rockwell Inter.	28	28½
Rohm & Haas	47	48⅝
Royal Dutch	44⅛	45
Russ Togs	11⅛	11⅛
Ryder System	12¼	12⅝
Safeway Stores	45	44¾
St. Joe Minerals	38⅝	38
St. Regis Paper	35⅛	35½
Santa Fe Inds.	35¼	35
Saul Invest	3⅛	3
Saxon Inds.	4	4
Schlitz Brewing	16¼	16
Schlumberger	95⅝	94¼
SCM	19⅜	18¾
Scott Paper	17¼	17¼
Scovill Mfg.	21	20⅞
Scudd'r Duo Vest	6¼	6¼
Sea Containers	22⅞	20½
Seagram	22	22
Searle (G.D.)	11	11⅛
Sears Roebuck	68¼	68
SEDCO	28	28½
Shell Oil	76⅞	76⅝
Shell Transport	26⅝	26¼
Signal	22½	21⅞
Signode Corp	38	38
Simplicity Pat.	14¾	14½
Singer	17⅝	17¼
Solitron	2	1⅞
Southdown	13¾	13¾
Southern Cal. Ed.	22	21⅞
Southern Co.	15¼	15¼
Sthn. Nat. Res.	48⅝	48⅝
Southern Pacific	34⅛	33⅞
Southern Railw'y	57½	57⅛
Southland	26	25¾
Sperry Hutch.	13¾	13⅝
Sperry Rand	43⅝	44¼
Squibb	29½	29⅞
Standard Brands	28⅝	28¾
Std. Oil California	34⅝	34⅛
Std. Oil Indiana	53¼	52⅞
Std. Oil Ohio	75	75
Stauff Chemical	43⅞	44½
Sterling Drug	15⅛	15¾
Studebaker	28½	27
Sun Co.	41⅜	41⅝
Sundstrand	30½	29⅞
Syntex	20¼	20⅛
Tandy	27	26⅛
Technicolor	4⅝	4⅝
Tektronix	60	59⅞
Teledyne	63	62¼
Telex	2¼	2⅜
Tenneco	31⅝	31⅝
Tesoro Petroleum	13⅛	13⅛
Texaco	25¾	25⅜
Texasgulf	28⅞	30⅛
Texas Instm.	97½	98
Texas Oil & Gas	24⅞	24⅝
Texas Utilities	20⅛	20
Time	31½	32¾
Times Mirror	20	19¾
Timken	49⅞	49⅞
Trane	24⅛	23⅜
Transamerica	13⅛	12⅝
Trans Union	35½	34⅜
Transway Int'rnl	19	19⅛
Trans World Air.	11½	11¼
Travelers	36¾	36⅜
Tri-Continental	19⅝	19¾
T.R.W.	31¼	31¼
20th Century Fox	9½	9½
UAL	24⅛	23⅝
UARCO	15⅝	15⅛
UGI	17	17⅛
UOP	13	12¾
Unilever Ltd.	27½	26⅛
Unilever NV	46⅜	45⅜
Union Bancorp	10⅝	10⅝
Union Carbide	56⅝	56¼
Union Commerce	6⅛	6⅛
Union Oil Calif.	51¾	51⅛
Union Pacific	95⅞	95¼
Uniroyal	7¾	7⅞
United Brands	7⅜	7½
United Corp	9⅝	9⅝
US. Bancorp	26⅝	25⅝
US. Gypsum	25	25
US. Industries	6½	6⅜
US. Shoe	23¾	23⅞
US. Steel	46⅛	46⅛
U. Technologies	34⅜	34½
Utah Int'l	63	62¾
UV Industries	32⅜	32⅛
Virginia Elect.	15⅜	15⅝
Walgreen	16⅛	16¼
Warner-Commun.	22⅞	22⅞
Warner-Lambert	28⅛	28¾
Wells-Fargo	25	25⅛
Western Bancorp	26¼	25⅞
Western N. Amer.	15¼	15⅛
Western Union	18	18⅛
Westingh'e Elec.	15⅝	15¼
Westvaco	26⅞	26¾
Weyerhaeuser	47½	46⅜
Whirlpool	27⅛	26⅝
White Cons. Inds.	24¼	24¼
Williams Co.	23¼	23⅛
Wisconsin Elect.	29⅛	29¼
Woolworth	24⅝	24¼
Wyly	1¼	1⅜

Stock	Nov. 17	Nov. 16
Xerox	57¾	57⅞
Zapata	11⅛	10¾
Zenith Radio	26¼	26¼
Chile 5% 1995	91½	91½
U.S. Treas 4% 1980	†93½	†93⅝
US Treas 4¼% 75/85	†85⅛	†85.00
U.S. 90 day bills	4.79%	4.82%

CANADA

Stock	Nov. 17	Nov. 16
Abbey Glen Prop	6⅝	6¾
Abitibi Paper	9⅜	9½
Agnico Eagle	4.25	4.45
Alcan Aluminium	20⅝	21¼
Algoma Steel	21¼	21½
Asbestos	25	25½
Bank Montreal	14¼	14½
Bank Nova Scotia	40½	42
Basic Resources	7½	8
Bell Telephone	45⅝	46¾
Bow Valley Inds.	19¼	19⅜
BP Canada	7½	7⅝
Brascan	10	10
Brinco	†3.25	†3.25
Calgary Power	29½	30½
Canada Cement	8⅛	9
Canada N W Land	7¼	7⅛
Can Imp Bk Com	23⅝	24¼
Canada Indus	†16¾	*19
Can. Pacific	15	15¼
Can. Pacific Inv.	16	16⅞
Can. Super Oil	57	†57
Carling O'Keefe	2.57	2.63
Cassiar Asbestos	5½	5
Chieftain Dev.	10⅛	10⅛
Cominco	34½	35
Cons. Bathurst	27	27¾
Consumer Gas	12⅝	12½
Costain Rich	8⅛	8⅛
Decca Resources	6⅛	6⅛
Denison Mines	52	52
Dome Mines	41	41¼
Dome Petroleum	54¼	55½
Dominion Bridge	17	17
Domtar	16⅜	16¾
Dupont	12½	12½
Falcon'ge Nickel	33	33¼
Ford Motor Can.	†86	†87
Genstar	19¾	21⅜
Giant Yel'wknife	6¾	6⅞
Gulf Oil Canada	24	24
Hawker Sid. Can.	4.65	4.80
Hollinger	31	†31
Home Oil 'A'	23¾	23⅞
Hudson Bay Mng	14⅞	15
Hudson Bay	16	15¼
Hudson Oil & Gas	32	32¼
I.A.C.	15⅛	15¾
Imasco	20¾	21½
Imperial Oil	19⅛	19¾
Inco	28⅝	29
Indal	†10½	†13½
Inland Nat. Gas	9⅜	9⅝
Int'pr'y Pipe Line	12⅞	13
Laurent'n Fin Corp	6	6
Loblaw Com. 'B'	3.05	3.00
Mc'mill'n Bloed'l	20⅛	20⅜
Massey Ferguson	21½	21⅝
McIntyre Porcupine	27½	27½
Moore Corpn	32⅝	32⅝
Noranda Mines	29½	30½
Norcen Energy	10	10¾
Nthn. Telecom	52¼	52¾
Numac Oil & Gas	8¾	8¾
Oakwood Petr'm	1.28	1.25
Pacific Copper M	1.05	1.09
Pacific Petroleum	26½	26
Pan. Can. Pet'm	21¼	21½
Patino	16	16
Peoples Dept. S.	4.10	4.00
Place Gas & Oil	†0.52	0.52
Placer Development	19	†19½
Power Corporat'n	7	7¼
Price	10	10¾
Quebec Sturgeon	0.93	0.98
Ranger Oil	14¼	14⅛
Reed Shaw	6	6
Rio Algom	26	†26¼
Royal Bk. of Can.	25¾	26
Royal Trust	15⅞	16⅛
Seagrams	21⅜	21⅝
Shell Canada	13¼	13¼
Sherritt G. Mines	6¼	6¼
Siebens O.G.	12⅜	12⅝
Simpson	5⅝	5½
Steel of Canada	23¾	24⅜
Steep Rock Iron	1.60	1.70
Sunningdale Oils	16	†16⅝
Talcorp	11⅝	11⅝
Texaco Canada	29¼	24¼
Toronto Dom. Bk.	18	18⅞
TransCan PipeLn	11⅛	12
Trans. Mount Oil	9	9
Trizec	†9⅞	†9⅞
Union Gas	8¼	8⅜
United Corpn 'B'	†11⅞	†11⅞
Walker Hiram	26⅞	28⅝
West Coast Trans	25½	25⅝
Western Geo.	11⅞	12

¢ Asked. * Assented. † Bid. ‡ Traded. ¶ New stock.

GERMANY ◆

Nov. 17	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	81.0	−0.9	—	—
Allianz Versich	379	......	18	2.2
B.M.W.	210	−1	18	4.3
B.A.S.F.	150.5	+0.5	14	4.7
Bayer	130.2	+0.7	14	5.4
Bayer Hypo	279	−0.5	20	3.5
Bayer Vereinsbk.	279	......	20	3.0
Commerzbank	179.5	−1.3	18	5.1
Conti. Gummi	69.3	−0.7	—	—
Daimler	337.8	+1.3	17	2.6
Degussa	222	......	15	4.1
Demag	147.5	+1.0	16	5.5
Deutsche Bank	281	−0.5	20	3.7
Dresdner Bank	220	......	20	4.5
Dyckerhoff Zemt.	135	......	6	2.1
Gutehoffnung	171.5	−0.5	14	4.1
Hapag Lloyd	105	......	12	4.4
Harpener Dm100	140.5	−0.5	9	6.7
Hoechst	133.5	−0.4	14	5.4
Hoesch	48.1	−0.4	—	—
Kali Salz (Dm50)	99	−1	7	3.6
Karstadt	332	+1	ψ20	3.0
Kaufhof	225	......	20	4.5
Klockner (Dm100)	98.5	−1.0	—	—
KHD Humboldt	139	−0.8	10	3.6
Krupp Prf (Dm100)	102	−3.5	—	—
Kundenkredit Bk	255	......	20	3.9
Linde	198.5	−0.5	16	4.1
Lowenbrau Dm100	1,850	......	20	1.1
Lufthansa	94.5	+2.0	4	2.1
M.A.N.	157	......	12	3.8
Mannesmann Dm100	336.5	+0.5	14	4.1
Metallgesellschaft	211	+0.5	10	
Munch. Ruckvers	430	−1	18	1.9
Neckermann	63.5	+3.5	y—	
Preussag Dm.100	141.5	+0.5	7	5.0
Rhein West. Elect	159	+0.8	17	5.0
Schering	279	−2	20	3.7
Siemens	255.5	−0.5	16	2.7
Sudzucker	245	−3.5	19	4.0
Thyssen	108.5	+0.5	14	6.6
Verein & West Bk	301	−5	20	3.0

PARIS

Nov. 17	Price Frs.	+ or −	Div. Frs.	Yld. %
Afrique Occid'tle	388	+1	19.5	5.1
Air Liquide	325.1	−2.9	16.5	5.1
Aquitaine	269.2	−2.8	22.5	8.3
Beghin	69.8	−0.3	—	—
B.S.N. Gervais	504	−2	37.8	7.6
Carrefour	1,326	−42	57	4.3
Chargeurs Reunis	174.5	......	16.5	9.4
Citroen	41	+0.4	y—	—
Cie Bancaire	265	+0.5	12	4.5
C.G.E.	254	−3	25.9	9.5
CreditCom Fr'nce	96	......	10.9	10.6
Credit Foncier	293.9	−1.1	29¼	9.9
Denai N.K.	61.6	−0.9	18.75	30.7
Fr. Petroles	98.2	−0.3	14.1	14.4
Gal. Lafayette	52.95	−4.05	—	—
Gen. Occidentale	168	−0.5	8.25	3.6
Imetal	92	−3	5.30	4.9
Lafarge	188.1	−5.2	15.75	8.4
L'Oreal	889	+5	15	1.7
Machines Bull	27.15	−0.85	1.5	5.5
Michelin "B"	1,152	−14	30	2.6
Moet Hennessey	450	−4	11.85	2.6
Paribas	138	......	13.5	10.6
Pechiney	71.5	−2.1	7.5	9.9
Peugeot (Frs. 70)	205	−2	15	7.3
Printemps	41.1	−0.6	—	—
Radiotech	577	−15	22.5	3.9
Rhone Poulenc	71.6	−0.4	9	12.5
Sacilor S.A.	50	−0.1	—	—
Suez	200.2	−0.8	24	12.0
Thomson Brandt	168.3	−0.9	14.25	7.5
Usinor	35.7	−0.3	—	—

AMSTERDAM

Nov. 17	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	82.5	−0.8	20	4.8
Akzo (Fl.20)	25.2	−1.7	—	—
Algem Bnk (Fl.100)	280	−1	21	7.9
AMEV (Fl.10)	60.5	−0.3	38	7.6
AmroBank (Fl.20)	64.1	−0.6	21	6.1
VanBerkels Pl. (Fl.10)	107.7	......	12	6.7
Bijenkorf (Fl.20)	87.2	+0.1	21	4.8
BokaWest'm Fl.10	108.5	−1.3	57½	5.2
Buhrm-Tetterode	69.7	−0.3	23	6.6
Elsevier (Fl.20)	271	−5	18	1.3
Ennia N.V. Bearer	107.6	−1.6	28½	5.3
EuroComTst Fl.10	59	......	30.4	5.3
Gist Brocades Fl.10	54	−0.5	20	3.7
Heineken (Fl.25)	143.6	−2.9	14	4.4
Holland Fund	116xd	−1.5	6.96	6.0
Hoogovens (Fl.20)	38.9	−0.6	—	—
H'nterDouglasFl.	25.2	−0.6	11	4.2
L.H.C. Holland	13.6	−0.3	10	6.9
K.L.M. (Fr.100)	107.5	−5.5	—	—
Int. Muller (Fl.20)	36.5	−1.8	10	5.3
Naarden (Fl.40)	43.8	−0.6	—	—
Nat. Ned. Ins'rnce	83.2	−0.7	20	4.2
Ned Cred Bk (F120)	45	......	18	8.0
Ned Mid Bk (F1.50)	129	−1.5	17	6.5
Nedo (Fl.50)	68.2	−0.4	10.8	7.9
Nijverdal-T. Cate	36.3	−0.1	—	—
OGE (Fl.20)	172	−4	28	3.2
Van Ommeren	171.5	−3	10	—
Pakhoed (Fl.20)	81.2	−0.8	20	4.4
Philips (Fl.10)	26.5	−1.1	14	[illegible]
RijnSch VerFl.100	63.2	−1.3	18	28.1
Robeco (Fl.50)	173.5	−0.6	25.2	10.4
Rolinco (Fl.50)	134	−0.5	5	1.9
Rorento (Fl.50)	119.4	......	8.5	4.2
Royal Dutch (F120)	112.6	−1.3	45.76	7.8
Slavenburg's Bnk	244	−2	19	7.6
Tokyo Pac Hlgs $1	90	......	$0.3	1.5
Unilever (Fl.20)	109.4	−0.6	38½	6.6
Viking Res. Intr. $1	35.1	−0.5	$0.20	1.8
VMF Stork	77.5	−0.3	14	17.8

MILAN

Nov. 17	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	497	+32	—	—
ANIC	356	−9	—	—
Assonia Fin.	2,900	......	120	4.5
Bastogi	815	−23	—	—
Breda	1,830	−69	150	8.2
Burgo	8,290	+40	—	—
Cantoni	5,190	−230	—	—
CIGA	1,345	−5	—	—
Cucirini	3,715	+15	235	6.0
Dalmine	651	−24	10	1.4
Erba	1,500	−20	—	—
Fiat	1,635	+29	100	6.1
Do. Priv.	898.5	−4.5	100	11.1
Finsider	221	−5	—	—
Generali	36,050	+50	500	1.3
Invest B.	1,715	−33	80	4.7
Italcementi	15,280	−260	500	3.3
Italgas	710	−18	—	—
Italsider	310	......	6	1.9
La Centrale	6,800	−140	40	5.8
Marelli Ercole	354.5	−4.5	—	—
Mediobanca	70,200	......	1,000	1.4
Mondadori Priv	900	−25	—	—
Montedison	259	−16	—	—
Olivetti Priv.	881	......	70	8.0
Pirelli & C.	1,445	−53	110	7.6
Pirelli Spa	1,095	−3	—	—
RAS	54,800	+700	500	0.9
Rinascente	42.25	−3	—	—
Rumianca	1,655	+10	—	—
SAFFA	6,110	+20	240	3.9
S.T.E.T.	1,300.5	−25.5	180	1.5
Snia Viscosa	925	−35	—	—
Soc. Gen. Immob	80.25	−5.25	—	—
Unidal	383	......	70	8.0

BRUSSELS/LUXEMBOURG

Nov. 17	Price Frs	+ or −	Div Frs. Net	Yld %
Arbed	3,250	......	100	—
BBL Bq BrxLam	1,500	......	40	2.7
Bekaert "B"	1,860	−10	105	5.6
CBL CreBrLamb	1,760	−10	110	6.3
C.B.R. Cement	1,300	−2	75	11.5
Cockerill	518	+6	—	—
E.B.E.S.	1,990	......	161	8.0
Electrobel	5,940	−40	400	6.7
Fabrique Nat	1,705	+80	100	5.8
G.B. Inno-Bm.	1,420	−30	70	5.0
Glace St. Roch	3,440	+10	60	1.3
Hoboken	3,100	−50	110	3.3
Intercom	1,570	......	129	8.3
Kredietbank	5,670	+470	245	4.2
La Royale Belge	4,360	−60	285	6.6
Pan-Holding	2,700	......	32.1	3.3
Petrofina	4,000	......	170	4.2
Photo Gevaert	1,050	−10	75	7.2
Pieux Frankl	4,400	−20	275	6.4
Soc. Generale	2,065	−5	175	7.7
Soc. Gen. Banque	2,335	−60	175	7.4
Sofina	2,775	+5	195	7.1
Solvay 'A'	2,250	......	170	7.6
Traction Elec	2,420	10	150	6.4
U.C.B.	1,800	[illegible]	125	6.8
Un. Min. (1/10th)	990	−14	70	6.9
Vieille Montagne	3,010	−60	150	11.7
Wagons Lits	550	−4	20	6.6

SWITZERLAND ◆

Nov. 17	Price Frs.	+ or −	Div. %	Yld. %
Aluminium	1,180	+10	6	2.6
Bally Hld	1,640	+5	—	—
BBC 'A'	1,470	−10	10	3.4
Ciba Geigy	1,245	−20	22	1.8
Do. Do. Part.	950	−15	22	2.3
Do. Do. Reg.	580	......	22	3.9
Credit Suisse	2,550	......	16	3.2
Fischer (Georg)	570	−10	—	—
G'nd Mag. Jel F10	1,105	−5	19	1.7
HoffmanLa Roche	78,250	−500	550	0.7
Interfood B	2,125	......	40	4.6
LandisGyrB(F20)	655	5	—	—
Nestle	3,190	−5	≠78.6	2.5
Do. Reg.	1,805	−15	≠78.6	4.4
Sandoz (F250)	4,850	−25	26	1.3
Saurer Arbon	740	+30	a	5.4
Soc. Inte. Pirelli	173xd	+1	14	8.1
Swissair (F350)	567	+2	5.7	3.5
Swiss Bank Corp.	386	5	10	2.1
Un. Bank of Switz.	3,110	−25	20	3.2
Winterthur Br.	1,750	+10	50	1.7
Zurich Ins. Br	9,100	+125	40	2.2

COPENHAGEN ♣

Nov. 17	Price Kroner	+ or −	Div. %	Yld. %
Andelsbanken	155½	......	10	6.4
Burmeister & W.	145	−3	—	—
Danske Bank	139	−¼	12	8.6
Dan Provinsbank	154½	+¼	11	7.1
East Asiatic Co	287¼	+2¼	12	4.1
Finansbanken	130	......	13	9.9
For. Bryggerier	487½	−2½	12	3.0
Handelsbank Gn	141	......	11	7.1
Papirfabrik For.	90½	−1	15	11.1
G. Northern Hld.	210	−3½	12	5.0
Nord Kabel	222¾	−¼	12	5.3
Oliefabrik	138¼	+1¼	12	8.6
Privatbank	154¼	......	11	7.1
Soph. Berendsen	294½	−3½	11	4.0
Superfos	246¼	+¼	12	4.8

VIENNA

Nov. 17	Price %	+ or −	Div. %	Yld. %
Creditanstalt	343	......	10	2.9
Perlmooser	327	......	9	2.7
Selecta	702	−1	48	6.8
Semperit	138	−2	—	—
Steyr Daimler	152	−2	5	3.3
Veit Magnesit	355	......	22	6.2

AUSTRALIA

Nov. 17	Aust. $	+ or −
ACMIL	†0.60	......
Acrow Australia	†0.82	+0.02
Adelaide Brighton Cement 50c	†1.13	−0.02
Allied Mnfg-Trdg. Indus. $1	†1.60	......
Ampol Exploration	†1.0	−0.05
Ampol Petroleum	†0.65	......
Assoc. Minerals	†2.0	......
Assoc. Pulp Paper $1	†0.70	......
Assoc. Con. Industries	†1.56	+0.01
Aust. Foundation Invest.	†0.78	+0.01
A.N.I.	†1.10	+0.02
Aust. Oil & Gas	†0.10	−0.01
Blue Metal Ind	†0.80	......
Bougainville Copper	†1.16	......
Broken Hill Proprietary	†6.46	−.8
BH. South	†1.05	−0.06
Carlton United Brewery	†1.65	−0.02
G. J. Coles	†1.50	−0.06
CSR ($1)	†3.55	−0.07
Cons. Goldfields Aust.	†1.85	......
Container ($1)	†1.40	......
Conzinc Riotinto	†2.29	−0.01
Costain Australia (25c)	†1.75	......
Dunlop Rubber ($1)	†0.85	+0.01
ESCOR	†0.73	......
Elder Smith ($1)	†1.75	......
E.Z. Industries	†2.60	−0.15
Gen. Property Trust	†1.18	......
Hamersley	†2.15	−0.02
Hill 50 Uranium NL	†0.16	......
Hooker	†0.85	......
I.C.I. Australia	†1.58	−0.05
I.A.C. Holdings	†0.80	......
Inter-Copper	†0.32	......
Jennings Industries	†1.30	−0.05
Jones (David)	†0.94	......
Metals Exploration	†0.28	−0.04
MIM Holdings	†1.99	−0.01
Myer Emporium	†2.0	0.05
News	†1.65	......
Nicholas International	†0.75	......
North Broken Hdings. (50c)	†0.98xc	+0.01
Oakbridge	†.95	−0.01
Oil Search	†0.10	+0.01
Pioneer Concrete	†1.0	−0.05
Reckitt & Colman	†3.35	......
H. C. Sleigh	†0.52	−0.01
Southland Mining	†0.45	−0.05
Stocks & Holdings	†3.35	+0.05
Tooth ($1)	†1.70	−0.03
Waltons	†0.75	......
Western Mining (50 cents)	†1.42	−0.03
Woolworths	†1.17	......

TOKYO ¶

Nov. 17	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	310	−5	14	2.3
Canon	510	−1	—	—
Dai Nippon Print	495	+2	18	1.8
Fuji Photo Film	669	+18	15	1.1
Hitachi	189	+5	10	2.6
Honda Motors	618	−16	18	1.5
C. Itoh	280	−4	12	2.1
Ito-Yokado	1,660	−20	30	0.9
Japan Airlines	2,020	+70	—	—
Kansai Elect. Pw.	670	......	9	6.7
Komatsu	297	−1	18	3.0
Kubota	320	−1	15	2.3
Matsushita Ind.	590	−3	20	1.7
Mitsubishi Bank	277	−1	10	1.8
Mitsubishi Heavy	117	......	12	5.1
Mitsubishi Corp.	421	+1	13	1.5
Mitsui & Co.	427	−3	14	1.6
Mitsukoshi	439	......	20	2.3
Nissan Motor	528	+2	16	1.5
Pioneer Electronic	2,400	+200	30	0.6
Sanyo Electric	212	......	12	2.8
Shiseido	1,200	......	25	1.0
Sony	2,250	......	30	0.7
Taisho Marine	308	+15	11	1.8
Takeda Chemical	220	+1	15	3.4
Teijin	124	......	12	4.8
Tokio Marine	458	+3	11	1.2
Tokyo Elect. Pwr.	660	+5	10	7.6
Toshiba	113	−2	10	4.4
Toray	122	−1	12	4.9
Toyota Motor	882	−9	16	0.9

Source Nikko Securities, Tokyo

STOCKHOLM

Nov. 17	Price Kroner	+ or −	Div. Kr.	Yld. %
AGA AB (Kr. 50)	188	+4	5.5	3.0
AlfaLavalB(Kr50)	143	+3	5	3.5
Asea (Kr50)	114	+2	6¼	4.6
AtlasCopco(Kr25)	167	+2	6	3.7
Billeruds	157	......	8½	5.0
Bofors	240	+1	9	3.7
Cardo	315	+1	11	3.5
Cellulosa	278	+10	9.6	3.4
Electrolux 'B'	154	+4	5	3.4
Ericsson B (Kr50)	111	+2	6¼	5.6
Fagersta	145	+2	8	5.4
Granges (Free)	71	+2½	11	1.6
Handelsbanken	239	+4	16	7.1
Marabou	130	......	10	7.2
Mo Och Domsjo	148	+3	10	6.9
Sandvik A.B.	243	+8	7	5.2
S.K.F. 'B' (Kr50)	94	+1	4.5	4.7
Skand Enskilda	216	+5	14.5	6.8
Tandstik 'B' Kr50	71.5	......	5	5.7
Uddeholm	109	+1	9	7.9
Volvo (Kr 50)	105	+2	6	5.9

OSLO

Nov. 17	Price Kroner	+ or −	Div. %	Yld. %
Bergens Bank	108	+1	9	8.4
Borregaard	103	......	6	5.8
Creditbank	121	+1	10	8.5
Kosmos	560	+5	20	3.6
Kreditkassen	121	+1	10	8.5
NorskHydro Kr80	270	+4	12	2.8
Orkla-Ind.	90	......	—	—
Storebrand	135	−2.5	10	7.1

BRAZIL

Nov. 17	Price Cruz	+ or −	Div Cruz	Yld. %
Banco Brasil PP	4.23	−0.03	.18	4.26
Belgo Mineira OP	2.31	+0.03	.14	6.06
Brahma PP	1.28	......	.15	11.7
Docas Santos OP	0.85	−0.12	.18	7.85
Lojas Amer. OP	3.45	+0.05	.18	5.22
Petrobras PP	2.16	+0.10	.11	5.09
Pirelli OP	2.98	−0.04	.12	4.52
Mannesman OP	2.95	......	.16	5.15
Souza Cruz OP	2.42	+1.05	.21	8.68
Vale Rio Doce PP	2.35	+0.05	.11	4.68

Val. Cr. 56.7m. Shares 24.5m.
Source—Rio de Janeiro SE.

JOHANNESBURG

MINES

Nov. 17	Rand	+ or −
Anglo American Corpn.	3.92	−0.08
Charter Consolidated	†2.50	+0.02
East Driefontein	10.10	−0.20
Elsburg	1.65	−0.05
Harmony	4.50	−0.03
Kinross	3.85	−0.15
Kloof	7.35	−0.10
Rustenburg Platinum	1.88	+0.03
South Vaal	5.75	−0.25
Gold Fields SA	18.75	−0.25
Union Corporation	3.90	−0.05
De Beers Deferred	3.17	−0.02
Blyvooruitzicht	6.10	−0.20
East Rand Pty.	†2.98	
Free State Geduld	†17.00	
President Brand	15.00	−0.30
President Steyn	†11.25	−0.15
Stilfontein	2.33	−0.05
Welkom	3.40	+0.10
West Driefontein	30.50	−0.50
Western Holdings	†25.00	
Western Deep	†12.30	−0.70

INDUSTRIALS

Nov. 17	Rand	+ or −
African Explos. and Chem.	†1.75	
Anglo-Amer. Industrial	7.65	
Barlow Rand	2.65	−0.05
CNA Investments	†1.60	−0.05
Currie Finance	†0.41	−0.01
De Beers Industrial	†8.35	
Edgars Consold. Inv.	†2.10	−0.10
Edgars Stores	†26.30	
Federale Volksbeleggings	†2.00	
Greatermans Stores	†3.70	
Guardian Assur. (SA)	1.12	
Huletts	1.90	
LTA	1.20	
McCarthy Rodway	†0.55	
Nedbank	1.75	
OK Bazaars	6.00	+0.10
Premier Milling	†5.75	−0.05
Pretoria Cement	2.35	
Protea Holdings	0.73	−0.02
Rand Mines Properties	2.00	−0.05
Rembrandt Group	2.37	−0.03
Retco	0.53	
Sage Holdings	†1.15	
SAPPI	1.73	−0.05
C. G. Smith Sugar	†5.85	
Sorec	0.52	+0.02
SA Breweries	0.85	−0.01
Tiger Oats and Nat. Milg.	†7.90	+0.05
Unisec	0.92	−0.01

SPAIN ♥

Nov. 17	Per cent.	
Asland	184	−2
Banco Lopez Quesada	447	—
Banco Bilbao	545	+13
Banco Atlantico (1,000)	452	—
Banco Central	575	+15
Banesto (250)	448	+7
Banco Exterior	512	+1
Banco General	517	+5
Banco Granada (1,000)	322	−4
Banco Hispano	415	+12
Banco Iberico	443	+15
Indubam	410	—
Banco Ind. Cat. (1,000)	320	—
Banco Mercantil (1,000)	335	—
Banco Occidental	293	—
Banco Popular	412	+10
Banco Santander (250)	578	+25
Banco Urquijo (1,000)	464	−3
Banco Vizcaya	484	+12
Banco Zaragozano	675	+10
Bankunion	294	−2
Banus Andalucia	260	—
Altos Hornos	129	—
Babcock Wilcox	90	—
CIC	290	+5
Dragados	500	−10
Inmobanif	130	—
E. I. Aragonesas	108	−1
Espanola Zinc	175	—
Expl. Rio Tinto	248.75	−1.75
Fecsa (1,000)	105	−2
Fenosa (1,000)	107.50	+0.25
Finanzauto SA	260	+5
Finanzauto Servicios	270	+5
Gal. Preciados	307	−1
Grupo Velazquez (400)	220	—
Hidrola	130	+1
Iberduero	132	−1
Motor Iberica	220	+2
Olarra	335	+10
Papeleras Reunidas	190	+6.5
Petroliber	214	—
Petroleos	409.50	−4.5
Sarrio Papalera	205.50	−0.50
Snlace	20	—
Telefonica	165	—
Tubacex	341	−3
Union Elec.	112	+7.75
Union y Fenix	457	+10
Urbis	186	+6

هكذا من الاصل

FARMING AND RAW MATERIALS

Lower U.S. feedgrain sowing likely

WASHINGTON, Nov. 17.

COMBINED PLANTINGS of maize, sorghum, oats and barley for the 1977/78 crops are expected to be down about 4m. acres from the 129.3m. acres planted this season, Mr. James Naive, U.S. Agriculture Department economist, said here.

He told the Agricultural Outlook Conference reduced maize acreage would account for most of the decline.

Prospects for relatively strong soyabean and cotton prices may influence farmers to shift some acreage back into those crops at the expense of maize.

Sorghum would face stronger price competition from cotton. This could result in a modest drop in sorghum acreage from the 18.4m. planted this year.

Drop in output of soyabeans predicted

WASHINGTON, Nov. 17.

WORLD soyabean production this this year is forecast to fall nearly 10 per cent. from 1975s record output of 66m. tonnes, according to the U.S. Agriculture Department. But the predicted figure of 59.7m. tonnes would still be the second highest production on record.

The 18 per cent. decline in the U.S. crop to 34.0m. tonnes is partly offset by a 15 per cent. rise in Brazilian production which is this year estimated at 11.3m. tonnes. But there are recent indications that Brazil's crop could be lower than the present estimate, the department said in a foreign agriculture circular.

Reuter

Higher world sugar stocks expected

WASHINGTON, Nov. 17.

WORLD SUGAR stocks are expected to increase substantially by the end of the 1976-77 season compared with a 500,000 short ton increase last season, Mr. Fred Gray of the U.S. Agriculture Department's commodity economics division said here.

Mr. Gray told the Agriculture Outlook Conference a forecast record 1976-77 world sugar crop, coupled with a more normal increase of about 2.2m. tons in world consumption, indicated a substantial build-up in world stocks. He estimated world consumption in the 1976-77 season at 91m. tons.

Coffee trading hit by American inquiry

BY RICHARD MOONEY

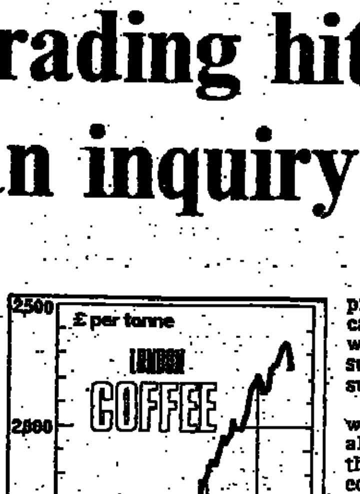
THE ANNOUNCEMENT of a new U.S. investigation into the coffee market following this year's record-breaking price rise brought sharp falls on the New York and London markets yesterday.

The study is being mounted by Democratic Congressman Benjamin Rosenthal, who was recently quoted in a newspaper as saying: "These excessive price hikes have all the earmarks of market manipulation."

An aide subsequently confirmed that the quote was substantially correct and added that Mr. Rosenthal, chairman of the commerce, consumer and marketing affairs sub-committee of the House Governmental Operations Committee, decided to open an investigation into the coffee market after discussing the issue with economic, agriculture and foreign trade specialists.

He said he wanted to find out if the supply and demand situation justified current prices.

The study will also cover the use by retail stores of coffee as a "loss leader" and will ask whether it is proper to encourage consumption if supplies are low.



This will be the second U.S. investigation into coffee prices within 12 months. The first, undertaken at the beginning of this year, was a formal Congressional inquiry. According to some dealers, that study had the ironical side-effect of encouraging further price rises. They argued that by drawing public attention to the situation the inquiry prompted housewives to start a campaign of larder-stocking which kept apparent U.S. consumption buoyant despite the surge in prices.

It hardly seems likely that this will happen again—the "damage" already having been done—but the possibility of any helpful outcome is also discounted by most coffee traders on both sides of the Atlantic. They point out that the "manipulation" of which the Congressman speaks is mainly carried out by and on behalf of producers. The producers would argue that the manipulation at the consumers' end of the pipeline is designed to keep prices low.

"In any case," one London dealer said last night, "no amount of so-called manipulation can in the long run outweigh basic supply and demand considerations."

On the London terminal market yesterday coffee futures lost further ground with the January position closing at £2,232.5 a tonne, down £80 on the day. Dealers attributed the early fall mainly to stop-loss and chartist selling. But in the afternoon, when most of the decline took place, the market was affected by the tone in New York, where news of the Congressional investigation brought heavy downward pressure.

The uncertain tone of the market in the past few days is seen as reflecting a gradual change of market thinging on manufacturers' stock levels. It had been assumed that these were uncomfortably low, but recent determined resistance to record prices by manufacturers has raised doubts about this.

If the manufacturers can continue to hold off the market the present uncertainty could turn into a major shake-out. But most dealers would see the resulting decline as temporary since the fundamental supply and demand situation leads them to regard the medium prospect as a bullish one.

The cocoa market also fell sharply in early dealines, reaching a £30 permissible limit fall soon after the opening. But prices then staged a convincing rally and ended the morning slightly higher on balance. By the close, however, the March position was £35.25 down on the day at £1,991.25 a tonne following a new limit decline.

Dealers attributed the recovery from the early fall to talk of wet weather in Ghana which, they said, was apparently holding up deliverable supplies because of the inability of producers to dry out the beans.

Easier tone in metal markets

BY OUR COMMODITIES EDITOR

THE STRONGER tone in sterling, and the further fall in the price of gold, brought an easier tone in the London metal markets yesterday. Silver was marked down again at the London bullion morning fixing by 2.85p to 262.95p an ounce.

Base metals were also lower although uncertainty about the continued strength of sterling and expectations of a rise in gold kept losses to a minimum.

Consumer demand for copper remains at a low ebb and the supply-demand situation is fundamentally "bearish" with surplus stocks continuing to rise. But the market is showing a distinct reluctance to move to lower levels.

In contrast, tin prices were held up by physical buying interest both in the morning and afternoon, although the rise in sterling brought a generally weaker undertone.

Lead and zinc values followed the downward trend in copper.

David Egli reports from Geneva that at the recent UN Lead and Zinc Study Group meeting a rise in consumption of 7 per cent. next year was forecast for both lead and zinc. The supply and demand situation for lead was likely to remain almost perfectly in balance. But further cuts in zinc metal output, particularly in Europe, might be needed if over-supply and increases in surplus stocks were to be avoided.

The group estimated lead consumption in 1976 would be 10 per cent. up from last year's depressed level at 3.5m. tonnes, and zinc by 20 per cent. to 4.2m. tonnes.

It was noted that the pattern of Western world trading with the Communist bloc had changed in recent years. The Soviet Union and China had become big net importers of lead. Increased imports of zinc by the Soviet Union have, however, been offset by a rise in North Korean exports which has helped push LME warehouse stocks to a record level.

'Green £' cut could aid sterling

By Our Commodities Staff

FAILURE TO devalue the "green pound" could be a contributory factor to the weakness of sterling, the Country Landowners' Association told the Government yesterday.

In its annual price review submission the association said a partial devaluation of the "green pound" could be interpreted as a sign that the Government was being realistic and facing up to the inevitable food prices increases.

Such a move could help sterling and help to close the present gap of about 40 per cent between the "green pound" and the market rate of sterling.

Every month's delay in devaluing the "green pound" would effect the cash flow of most producers, who would interpret Government inaction as a sure sign that it was not prepared to ensure that financial resources were available for agricultural expansion.

"Any short term gain which the Government may hope to achieve by postponing a devaluation of the "green pound" is likely to have long term repercussions on investment decisions by farmers and landowners. Short term benefit for the consumer will imperil long term supply prospects and so in the long term consumers will again be the losers," it stated.

The association called for a lower EEC milk price in real terms which, when passed on to consumers, should boost consumption while improving productivity and helping to reduce the number of very small, uneconomic dairy units in the EEC.

EEC subsidy for maize syrups to end

LUXEMBOURG, Nov. 17.

SUBSIDIES paid to EEC starch producers who turn their product into artificial sweeteners (maize based syrups) will be abolished from August 1 next year, EEC Farm Commissioner, M. Pierre Lardinois said.

As an interim step EEC Farm Ministers have agreed to freeze price supports with immediate effect at their present level of an average 14 units of account a tonne of raw material used to produce starch.

The measures have been taken to restore fair competition between artificial sweeteners and sugar beet, he said.

Reuter

PROCESSED FOODS

Fruit and vegetable price rises forecast

BY STUART ALEXANDER IN PARIS

PRICES OF frozen fruits and vegetables are likely to rise substantially in the next four to five months, as buyers from all over Europe scramble to make up a shortfall in supplies following the dry summer.

British suppliers have experienced difficulty in meeting contracts to overseas buyers and have turned to America, Australia and Thailand for such items as potatoes and beans, in some cases selling on direct.

At the Salon Internationale d'Alimentations here, the flurry has turned semi-processed vegetables into a competitive commodity market, while the shortage has fed on itself as housewives seek an alternative source to their hard-pressed greengrocer.

Catering

There is expected to be a shortfall of 30,000 tons this winter (about 20 per cent.) in home production of frozen chips, a market which developed in the U.K. last year as fresh potato prices rose and reduced the differential with the convenience product. It was further boosted by increased catering use and more general acceptance throughout Europe.

The big U.K. buyers of imported potatoes are still wary because of the uncertain value of the pound, but Mr. Roddy Owen, a director of Anglo-European Foods, said here yesterday: "I think it is time we had the courage to go in and buy. We are all here trying to sell, and we have often got nothing to sell."

Anglo-European is already buying large quantities of potato flake for instant mashed potato from the U.S. But the market there has been upset by the strong intervention of the Japanese, which has pushed the price up about 20 per cent.

Mr. Owen expects British housewives will have to face a similar increase for chips. There have already been predictions by U.K. users of instant mash that prices could rise strongly.

The Brussels sprouts harvest has been small and poor, there has been a shortage of all kinds of beans and there is strong competition from the Germans for the limited supply of peas for freezing.

The canners too are keeping a careful eye on the possibility of filling the gap in the market. But their ability is hampered by the diverse packaging, labelling and additive regulations operating in other member countries of the EEC. Eastern Europe, the traditional source of fruit such as strawberries, raspberries and currants, has also failed to deliver the usual level of supply. Although many exhibitors here are able to display examples of frozen fruit, few are able to take any orders.

The cost of introducing new can sizes and changing the recipe can be prohibitive, but broad beans, green beans and celery hearts are doing well, alongside the traditional baked bean. Some U.K. producers may be able to divert part of their supply abroad.

Hampered

The European and Middle Eastern markets for frozen and canned foods have been growing rapidly, with Britain—though often hampered by regulations to protect indigenous producers—doing good business.

One of the main export items—bulk joints of beef—has recently suffered a setback but, there is some evidence of an increase in the export of live animals, notably sheep.

Vegetables, fruit, fish and shellfish continue to do well in Europe, while jams, cakes, biscuits, sweets and chocolates are successful worldwide.

UN revises buffer stock cost

BY DAVID EGLI

GENEVA, Nov. 17.

A FUND of $4.5bn. to $5bn. will be needed for the ten major stockable commodities in the integrated programme proposed by the United Nations Conference on Trade and Development (Unctad).

This revised estimate appears in a background document for a preparatory meeting on the negotiation of a common fund which will take place here at the end of this month.

The Unctad secretariat sees an additional $1-$1.5bn. needed for non-stocking activities in relation to the full range of 18 commodities.

With a borrowing to paid-in capital ratio of two to one, suitable to ensure the fund's "creditworthiness," it would be necessary to raise $3bn., with $1bn. paid-in capital and the possibility of borrowing an additional $2bn. as required.

It is assumed that the fund could rely significantly on governmental lending.

It is suggested voting on the governing council should be based on the dual principle of equality and proportionality, with a certain proportion of the votes allocated to all members and the remaining votes reflecting the level of subscribed capital shares.

The fund is designed to back up the attempt to regulate commodity markets through an integrated approach. The availability of adequate financing through the fund would, it is thought, accelerate the negotiation of international commodity agreements, and common financing would be highly cost-effective.

In addition the management of stocking operations would be left to concentrate on operation objectives, leaving the specialised management of sources of finance to the central fund.

The Unctad emphasis on the value of such an operation appears to have shifted slightly. Perhaps as an additional inducement to the consumer countries it stresses the adverse consequences of sudden and substantial shifts in the balance of supply and demand in commodity markets which could spell disaster for exporters and cause severe burdens on commodity importing countries.

The idea of maintaining commodity prices to ensure adequate foreign exchange returns for exporters is given lower priority.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Easier on the London Metal Exchange, influenced by the firmer performance of the pound and the lower price of gold. Forward metal traded down from £824 to £819 on long liquidation in pre-market dealings, but rallied with buying in thin conditions during ring trading. In the afternoon, Comex failed to hold Tuesday's rise, and London slipped to £818 before climbing to a close of £818.5 in the Kerb. Turnover: 19,825 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	788-.5	+5.75	782.5-3.5	—2.5
3 months	822.5-3	+5.25	818-.5	—2.5
Settlem'nt	788.5	+5.5	—	......
Cathodes				
Cash	775-6	+4.75	770-1	—3.5
3 months	809.5-10	+4	804.5-5	—3.75
Settlem'nt	776	+5	—	......
U.S. Smt.	—	......	*70.74	......

Amalgamated Metal Trading reported that in the morning, cash wirebars traded at £821, 20.5, 20, 21, 22, 21.5, 22, 23, 22.5. Cathodes: three months £809.5, 10. Kerb: Three months £823, 23.5. Cathodes: three months £809.5, 10, 10.5, 11. Afternoon: Wirebars three months £819, 20, 19, 18.5, 18, 18.5. Kerb: Three months £819, 18.5, 19, 18.5.

TIN—Lower with currency considerations a major factor. The East was steady overnight but the stronger pound caused forward metal to trade down to £5,070 from £5,130 pre-market. In the rings covering against consumer business lifted the price back to £5,115. In the afternoon there was another slide as the pound gained strength but on the late Kerb covering against the U.S. and European physical business led to a close of £5,100. Turnover: 1,590 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4950-500	+55	4920-5	—12
3 months	5115-20	+41	5085-90	—21
S'ment	4955	+55	—	......
Standard				
Cash	4950-5	+55	4920-5	—12
3 months	5115-20	+41	5085-90	—21
S'ment	4955	+55	—	......
Straits E.	†$1,250	+1	—	......
New York	—	......	*379.5	+1

Morning: Standard, cash £4,950, three months £5,090, 95, 5,100, 05, 10, 15, 10. Kerb: Standard, three months £5,115. Afternoon: Standard, cash £4,920, 25, three months, £5,090, 95, 90, 80, 85, 90, 95. Kerb: Standard, three months £5,085, 90, 5,100.

LEAD—Marginally easier in idle trading. Forward metal traded between £292.5 and £294 before easing in line with the trend in other metals to end at £293. Turnover: 2,100 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	279.25-.5	+.625	279-.5	—.25
3 months	293-.5	+.75	292.75-3	—.625
S'ment	279.5	+.5	—	......
N.Y. Spot	—	......	25.50-26	......

Morning: Cash £279, 79.5, 79.25, three months £292.5, 94, 93, 93.5. Kerb: three months £293.5, 94, 93.5. Afternoon: three months £293.

ZINC—Barely changed. Prices tended to harden in the morning rings with forward metal rising to £383.5 but in the afternoon they eased modestly, the forward price ending at £383 on the kerb. Turnover: 2,175 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	365-.5	+2.75	365-6	+.25
3 months	383-.25	+1.87	382-.5	—.5
S'ment	365.5	+2.5	—	......
Prm. West	—	......	*37	......

Morning: Cash £366, three months £382, 83, 82.5, 83. Kerb: Three months £383.5, 83. Afternoon: Three months £383. Kerb: Three months £383.5.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 2.85p an ounce lower for spot delivery in the London bullion market yesterday, at 262.95p. U.S. cent equivalents of the fixing levels were: spot 434.3c, down 2.4c; three-month 440.1c, down 3.2c; six-month 446.4c, down 0.7c; and 12-month 460.1c, down 0.3c. The metal opened at 264½-265½ (437-439c) and closed at 262½-263½ (436-438c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	262.95p	—2.85	262.95p	—4.8
3 months	273.15p	—3.35	273.15p	—4.4
6 months	282.9p	—2.4	—	......
7 months	—	......	287.8p	—4.2
12 months	302.6p	—2.5	—	......

LME—Turnover 269 (206) lots of 10,000 ozs. Morning: Three months 274.0, 4.3, 4.4, 4.5, 4.4, 4.3, 4.1, 4.0. Kerbs: Three months 274.1, 4.0, 3.8. Afternoon: Cash 262.9; three months 273.4, 3.5, 3.6, 3.7, 3.5, 3.3, 3.2. Kerbs: Three months 273.3, 3.3, 3.4, 3.5.

COCOA

Despite scattered consumer demand, long liquidation and allied short-selling pushed prices through a limit decline on ...

LEGAL NOTICES

[illegible]

GRAINS

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) ... [illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

... Devon 1.20, Scottish 1.00, Yorkshire 1.00. Sprouts—Per 20 lbs 2.00-2.20. Parsnips—Per 28 lbs 1.60-2.00. Cob nuts—Per pound 0.12-0.13. Mushrooms—Per pound 0.35-0.40.

COTTON—Liverpool. Spot and shipment sales amounted to 58 tonnes, bringing the total for the week so far to 677 tonnes. Only very occasional contracts were fixed, mostly in Middle Eastern types. The call from spinners was desultory.

HIDES—Leeds. Firmer with total clearance. Ox 31-35½ kilos 50p per kilo; 26-30½ kilos 54.5p, 22-25½ kilos 57.7p. Light cows 51p. Calf under 4 kilos withdrawn 140p.

COPRA—Philippines (per tonne): Nov.-Dec. $355 ($350) resellers cif North European ports

JUTE

[illegible]

More Japanese rice output cuts needed

TOKYO, Nov. 17.

JAPANESE FINANCE Ministry officials think Japan will need to continue cutbacks in rice production next year to check a further rise in the Government stocks.

Despite a poor crop this year, stocks may increase from the present 2m. tonnes, they said.

They noted that planted acreage this year was larger than expected and this year's 900,000-tonne production cutback target was not fully achieved. Local farmers are also believed to be selling more rice to the Government for stockpiling to raise their incomes and cope with slow domestic rice consumption.

Japan had a poor rice harvest this year for the first time in five years, totalling an estimated 11.8m. tonnes, compared to last years 13.1m. tonnes.

The officials said the Finance Ministry is likely to ask the agriculture-forestry ministry to consider a continued production cutback next year, when they compile the budget for fiscal 1977.

The Ministry will demand that the Agriculture Ministry avoid additional deficits in the food control account, now estimated to total 850bn. yen, they said.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated

	Nov. 17 1976	+ or —	Month ago
Metals			
Aluminium	£579	......	£579
Free Market (cif)	$800-820	......	850-850
Copper			
Cash Wire Bars	£783	—2.5	£783.5
3 months do do	£818.25	—2.5	£819.75
Cash Cathode	£770.5	—3.5	£769.5
3 months do do	£804.75	—3.75	804.25
Gold ...Troy oz	$132	—1.75	$115.125
Lead Cash	£279.25	—0.25	£284.75
3 months	£292.875	—0.625	£297.25
Nickel	£5,501		£5,684
Free Market (cif)(lb)	$1.85-2.1	......	$2.0-2.15
Platinum troy oz.	£104-111.5	......	£105-115
Free Market	£93.6	—0.8	£95.95
Quicksilver (76lb)	$100-107	......	$110-115
Silver Troy oz.	262.95p	—2.85	254.1p
3 months	273.15p	—3.35	264.7p
Tin Cash	£4,922.5	—12.0	£4,825
3 months	£5,087.5	—21.0	£5,001.5
Wolfram 22.04lb. cif	$86-89	......	$77½-79½
Zinc Cash	£365.5	+0.25	£386
3 months	£382.25	—0.5	£407.5
Producers	$795	......	$795
Oils			
Coconut Malayan	‡	......	‡
Groundnut			
[illegible]	£548	—3.0	£516
Linseed Crude	£45[illegible]	......	£450
Palm Malayan	$458	+8.0	$435
Soyabean	‡	......	‡
Seeds			
Copra Philipp	$355	+5.0	$330
Gr'nuts Nigerian	‡	......	‡
Linseed Can. No. 1	£210	......	£205.6
Grains			
Barley EEC	£78	......	£80.5
Home Futures	£78.35	+0.55	£79.4
Maize			
French No. 3 Am.	£79.5	......	£80.25
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	£80.1	+0.4	£84.8
Australian (f.a.q.)	‡	......	‡
English Milling	£85.5	......	£87
Cocoa Shipment	£2,106	—34.0	£1,730
Futures March	£1991.25	—35.25	£1,712.5
Coffee shipment	‡	......	‡
Futures Jan.	£2,232.5	—80.0	£1,997.5
Cotton 'A' Index			
cent	86.45	—0.1	86.8
Jute LJABWC	$386	......	$382
Rubber kilo	52p	—1.5	57.5p
Sisal EA3L	$500	......	$500
Sugar (Raw)	£122	+2.0	£115
Wooltops 64s. ...kilo	312p	......	314p
Cloves (Madagascar)	[illegible]	......	‡
Pepper White ...ton	£1,451	......	£1,495
Black ...ton	£1,220	......	£1,270

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C" h Jan.-March. k Oct.-Dec. r Sept. s Metric tons.

FINANCIAL TIMES

Nov. 17	Nov. 16	Month ago	Year ago
245.47	249.00	243.33	167.96

(Base: July 1, 1952=100)

REUTER'S

Nov. 17	Nov. 16	Month ago	Year ago
1556.7	1548.7	1522.7	1126.7

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Nov. 17	Nov. 16	Month ago	Year ago
Spot	356.71	358.94	345.78	286.01
Futures	354.07	358.61	345.48	276.03

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 17	Nov. 16	Month ago	Year ago
Sple Commty	919.4	917.5	905.8	758.7

(December 31, 1931=100)

GRIMSBY FISH MARKET—Supply poor and demand good. Prices at ships side (unprocessed): Shelf cod £3.30-£4.00, codlings £2.20-£3.60, large haddock £3.30-£3.80, medium £3.60-£3.60, small haddock £2.70-£3.50, large plaice £4.00, medium plaice £3.20-£3.80, skinned dogfish, medium £3.60, large £4.60, rock fish £2.50-£2.60, reds £1.70-£1.80, saithe £1.70-£2.60.

U.S. Markets

Grains up: coffee limit down

NEW YORK, Nov. 17.

THE COPPER market closed a little lower on Commission House selling, reports Bache. Silver closed lower on trade selling on the close. Grains closed higher on short covering. Coffee closed limit down across the board on trade selling. Sugar closed a little easier after a featureless session. Cotton closed lower on trade and Commission House selling.

Cocoa—Ghana spot 160 (163). Bahia spot 157 (159). Dec. 147.75 (145.25), March 142.05 (142.25), May 136.05, July 131.75, Sept. 126.00, Dec. 113.50, March 105.10. Sales: 2,197 lots.

Coffee—"C" contract Dec. 178.50-179.50 (163.50), March 180.51 asked (163.51), May 179.50 asked, July 179.97 asked, Sept. 179.50 asked, Dec. 176.47 asked, March nil. Sales: 599 lots.

Copper—Nov. 59.10 (59.60), Dec. 59.50 (59.60), Jan. 59.70, March 60.70, May 61.70, July 62.70, Sept. 63.50, Dec. 64.60. Sales: 2,615 lots.

Cotton—No. 2: Dec. 77.50-77.85 (79.10), March 75.25-76.70 (80.07), May 78.50-79.00, July 77.00-77.40, Oct. 70.80, Dec. 68.87, March 67.00-67.25. Sales: 4,250 lots.

ΦGold—Nov. 131.40 (132.90), Dec. 131.80 (133.30), Jan. 132.20, Feb. 132.60, April 133.60, June 134.60, Aug. 135.70, Oct. 136.90, Dec. 138.10, Feb. 139.30. Sales: 9,449 lots.

Greasewool—Spot 192.0 nom. (same). Dec. 183.0-192.0 (183.0), March 186.0 bid (186.0), May unquoted.

Lard—Chicago loose 18.50 (19.50). New York prime steam 21.00 asked (same).

††Maize—Dec. 239½-240½ (236½), March 247½-248½ (244½), May 251½-252½, July 254½-254¼, Sept. 254-253½, Dec. 248½.

‡Platinum—Jan. 157.10 (156.50), April 159.80 (158.50), July 162.00, Oct. 164.60, Jan. 167.30-167.50, April 170.10-170.30. Sales: 314 lots.

‡‡Silver—Spot 437.50 (436.00), Nov. 432.50 (438.80), Dec. 433.20 (439.50), Jan. 435.00, March 439.90, May 443.10, July 447.50, Sept. 451.90, Dec. 458.60, Jan. 462.10, March 467.40. Sales: 10,000 lots.

*Soyabeans—Nov. 670-671 (650), Jan. 670-667 (654½), March 669-670, May 662, July 652, Aug. 639, Sept. 600-603, Nov. 585-586.

bSoyabean Meal—Dec. 187.50-188.00 (182.80), Jan. 189.50-190.00 (184.80), March 191.00, May 187.50, July 184.50-185.50, Aug. 179.50-180.00, Sept. 174.00-175.00, Oct. 164.00, Dec. 164.00-164.50.

Soyabean Oil—Dec. 21.70-21.65 (21.58), Jan. 21.60-21.75 (21.70), March 21.85-21.80, May 21.75, July 21.60-21.55, Aug. 21.00, Sept. 20.40-20.50, Oct. 19.90, Dec. 19.80.

Sugar—No. 11: Spot 8.00 (same). Jan. 8.22-8.65 (8.44), March 8.78-8.64 (8.82), May 9.03-9.00, July 9.15-9.16, Sept. 9.18, Oct. 9.18, Jan. unquoted, March 9.47-9.44. Sales: 2,256 lots.

Tin—378.00-381.00 asked (378.00-381.00 asked).

**Wheat—Dec. 260½-260½ (263), March 269-269½ (272), May 271½-272, July 272½-273, Sept. 278½, Dec. 285.

WINNIPEG, Nov. 17. ††Rye—Nov. 219½ bid (212½ bid), Dec. 219½ (215¼ bid), May 91.40 asked, July 91.20 bid.

cOats—Dec. 115½ bid (114½), May 76.50 (75.20), July 76.60 bid.

§Barley—Dec. 153½ (151 bid), May 86 asked (54.30 bid), July 56.70 bid.

dFlaxseed—Nov. 682 bid (676 bid), Dec. 681½ asked (676), May 290 asked, July 291.

Wheat—SCWRS 13.5 per cent. protein content c.i.f. St. Lawrence 350 (350½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Late improvement with rise in sterling

Index up 0.9 at 311.1, after 308.7—Unilever please

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The burst of strength in sterling when dealings commenced in New York sparked off a late improvement in U.K. leading equities and provided some relief after an otherwise tedious day in stock markets yesterday. Prior to this, trading was extremely slow—official markings were only 4,223—with prices of the leaders drifting lower as potential investors continued to hold off awaiting the outcome of the IMF negotiations which are expected to herald an economic package. There was a slightly better trend at the start helped by news of Mr. Harold Lever's talks in the U.S. about the future of the sterling balances, but this soon faded.

The late improvement in the leaders was reflected in the FT 30-share index which turned a loss of 1.4 at 3 p.m. into a net gain of 0.9 at 311.1 at the close. The announcement that the medium tap stock, which made its debut last Friday, had been exhausted imparted a firmer trend in British Funds and, along with the equity leaders, the trend was to higher levels in the late dealings. The Government Securities index improved 0.05 to 57.97.

Changes were few and far between in secondary issues and the overall trend was undecided. However, rises had the edge over falls in FT-quoted Industrials and the FT-Actuaries All-Share index hardened 0.2 per cent. to 132.57.

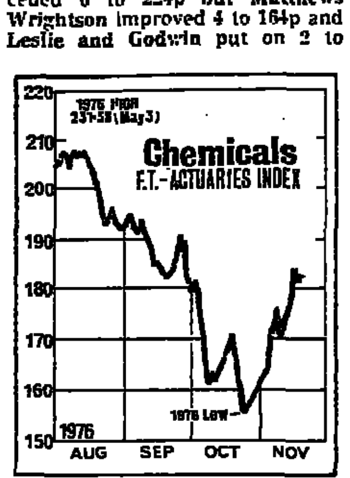
'Tap' exhausted

The surprising exhaustion of the "Tap" Treasury 14 per cent., 1982, which made its debut only last Friday, overshadowed all else in British Funds. A pent-up and large demand quickly brought the announcement that the Government broker had exhausted his supplies of the stock and for a while market dealings generally were brisk. A lull in interest, however, led to a slightly softer tone before the late firmness in sterling prompted fresh inquiries after-hours which left closing quotations at the day's highest. The long "tap" Treasury 15¼ per cent., 1996, became more interesting when the GB was tested for supplies at 97¾: he refused the offer, leaving the market with the impression that his selling price would be 97⅞. Neither continuing tight money conditions nor the possibility of a new "tap" stock being announced on Friday in the 1981 area deterred the shorts, which also extended their rise late in the evening.

Conditions in the investment currency market during the morning were very quiet, but in the afternoon the upturn in sterling coupled with renewed business on arbitrage account enlivened trading and the premium reacted to 119½ per cent. for the loss of a point on the day. Yesterday's S.E. conversion factor was 0.7154 (0.7182).

In thin trading, Discounts took a turn for the better yesterday with sentiment helped by firm gilts. Union led the way with a gain of 10 to 260p, while Allen Harvey and Ross were similarly better at 305p. Gillett Bros. rose 7 to 152p and Cater Ryder hardened 5 to 195p. Gains of 5 were commonplace in Merchant Banks where Arbuthnot Latham, 110p, Guinness Peat, 142p, Leopold Joseph, 110p, and Schroders, 260p, all ended that much dearer. The big four Banks attracted little interest and closed unchanged at the overnight levels.

After Tuesday's encouraging debut, Willis Faber ran back to touch 183p before closing 5 down on balance at 185p in Insurance Brokers. Sedgwick Forbes receded 6 to 224p but Matthews Wrightson improved 4 to 164p and Leslie and Godwin put on 2 to 98p. Press comment on the 9-month figures help "Royals" touch 246p initially before closing unaltered at 244p, while Phoenix put on 4 to 154p. Elsewhere, Taisho Marine hardened 35 to 875p.



Breweries and kindred trades displayed no set trend following a small turnover. On the results, *Morland rose 5 to 255p in a thin* market. Macallan Glenlivet, however, lost 5 to 95p.

Buying interest was shown in selected Contracting issues, but little else worthy of note occurred in the Building sector. Gains of around 4 were recorded in Richard Costain, 124p, L. Fairclough, 135p, and J. Laing "A," 57p, while Marchwiel and Taylor Woodrow put on 2 apiece to 89p and 208p respectively. Elsewhere, Geo. Drew firmed 3 to 68p and BPB Industries were 2 higher at 94p.

After easing to 302p, ICI improved late to finish unaltered on balance at 305p. On the other hand, Fisons closed 5 cheaper at 262p and Laporte 3 easier at 69p. Interest was shown in Rentokil, 3 to the good at 54p, while Storey Brothers also found buyers, improving 2 to 50p, but Wm. Ransom were dull at 74p, down 3.

The sharp increase in net advertising revenue in October had no noticeable impact on TV concerns which were barely changed.

Electricals rally

After touching 212p, EMI reacted to 206p, down 4, but were rallying in the very late trade—as were GEC, which closed 1 better at 139p after 134p. Muirhead touched 91p on the 31 per cent. increase in the full year profit and closed 3 up at 90p. Speculative demand left Ultra 3 dearer at 51p. Other firm spots included Farnell, 64p, and Lec Refrigeration, 49p, both up 2, and Racal, 4 better at 214p; interim figures from the last-mentioned are due in about two weeks' time.

Further bearish comment about the outlook for retail sales in the first half of next year had no noticeable effect in Stores which moved in line with the rest of the market. A shade firmer for choice, the leaders had Woolworth 2 up at 46½p on the better-than-expected third quarter figures. UDS, at 48p, were also 2 up. Currys put on 3 to 66p and similar improvements were recorded in Empire Stores, 63p, and Freemans, 110p. Cope Sportswear were unchanged at 42p despite the increased half-time earnings.

Leading Engineerings edged better by a penny or so, while news items brought small gains to stocks such as Acrow "A," 53p, after 54p, and Manganese Bronze, 12¼p, both about 2 higher. Also marginally harder on trading announcements were F. H. Lloyd, 62p, and GEI International, 47p, while Central Wagon reached 17½p, the equivalent of the cash offer from Booker McConnell; comment that the bid was excessively low prompted some demand. Elsewhere, Eva Industries revived with a gain of 4 to 43p and Weyburn were similarly dearer at 314p, but Desoutter Bros. reacted 3 to 110p.

Leaders in Foods were generally little changed, but were better for choice and improvements of 3 were seen in Associated Dairies, 159p, and Rowntree Mackintosh, 183p. After recent firmness, Wheatsheaf Distribution eased 1 to 106p despite the 47 per cent. profit expansion at the half way stage. Freshbake Foods, controlled by Thomas Borthwick, shed 1 to 12p following the trading statement while the latter, due to report preliminary figures to-day, *hardened 2 to 86p*. Nicholls (Vimto) held at 100p after the interim report, but reduced earnings at the same stage left P. Panto 2 off at 18p.

Among Hotels and Caterers, Epicure, firm lately, gave up 2½ to 22p following the full year figures. Grand Metropolitan put on 1p to 49½p, and Prince of Wales Hotels gained 3 to 40p.

Unilever below best

Better-than-expected third-quarter profits helped Unilever push forward to 416p but lack of follow-through support brought the shares back to 410p for a rise of only 2 on the day; the N.V. ended ½ dearer at £22¼. Other Miscellaneous Industrial leaders failed to gain any encouragement from Unilever's performance and closed narrowly mixed, although a firmer trend was becoming evident in the late stages in sympathy with a further rise in sterling. In front of to-day's interim results, Beecham closed unaltered at 332p, after 334p. Glaxo hardened 2 to 362p but Bowater lost 2 at 165p. Secondary issues displayed a generally firmer bias, where changed. "W" Ribbons rose 3 to 37p on an investment recommendation, while Kleeman found support to 142p, up 9. Long and Hambly were marked up 1½ to 17p on the doubled profits, and gains of around 3 were recorded in Cawoods, 65p, Coral Leisure, 95p, De La Rue, 218p, Ferguson Industrial, 42p, and R. and W. Toothill, 48p. Far-Eastern advices brought improvements of 2 and 7 respectively in Hutchison International, 52½p, and Jardine Matheson, 280p. By way of contrast, profit-taking after the recent strong advance left Whatman Reeve Angel 17 lower at 153p. Johnson Matthey lost the turn to 282p; the interim results are due next Wednesday.

In Motors, which were little changed, Dunlop ended 1 off at 70p, after 73p, while Lucas Industries moved between 185½p and 181½p before closing unchanged at 183p. The company's reported concern about production problems had no noticeable effect on British Leyland, unaltered at 23p. The prospect of a marked increase in the full year trading result helped Godfrey Davis harden a penny to 30p. Caffyns were similarly 1½ better at 82½p, but Kenning gave up 1½p to 43½p.

Scattered mixed price changes were recorded in Newspapers, Thomson improving 2 late to 332p, while News International eased that much to 104p. Circumstances were similar in Paper/Printings where TPT moved up 2 to 39p. Elsewhere, Mills and Allen were a shade softer at 28p: the preliminary figures had little influence on sentiment.

Late peak for BP

Leading Oils spent most of the day drifting gently lower, but made a noticeable turnround in the after hours' trade on renewed local buying interest which left British Petroleum a net 4 higher at a new peak of 700p, after 688p, and Shell 2 better on balance at 408p, after 401p. Ultramar were restrained by the nearness of the third quarter figures, still awaited late last evening, but still edged forward 2 to 100p. News of the Bates Oil acquisition caused Oil Exploration to harden 1 to 82p. Burmah firmed a like amount to 32p, but Berry Wiggins became unsettled and lost 2 to 15½p. Among Australians, Woodside-Burmah eased 2 to 107p.

Deriving benefit, particularly late, from the trend in sterling, Properties established a firm undertone and here and there staged useful gains. English moved up 2 more to 32½p and British Land picked up 1 further to 24p, while Land Securities edged forward a similar amount to 122p, after 123p. Larger gains appeared in the case of Hammerson "A", 7 higher at 250p, and Imry, which regained 5 to 117p, while Property and Reversionary "A" improved 4 to 136p. Haslemere Estates, 141p, and Clarke Nickolls, 27p, put on 3 apiece, as did London Shop, at 36p. Great Portland rallied 2 to 182p and, among smaller-priced issues, Chown Securities hardened 1½ to 6p. The increased half-yearly revenue lifted Property Partnerships 2 to 32p.

In Overseas Traders, Booker McConnell put on 3 to 104p, while Ocean Wilsons, the same amount up at the official close, hardened further on late news of the half year statement to end 4 up at 138p. News of the moves by the State-owned Pernas to get three directors on the Board of Sime Darby left the latter just 1 off at 113p.

Buyers were about for selective Investment Trust shares but stock shortage became a major problem. Investment Trust Corporation added 3 at 134p as did SPR to 73p, while Viking Resources hardened 2 to 49p. *Among Financials*, Edinburgh Industrial hardened 1½ to 11p but Lampa Securities cheapened 2 to 128p on the bid situation.

Shippings were notable for gains of 5 and 6 respectively in Furness Withy, 163p, and Hunting Gibson, 116p.

Montfort (Knitting Mills) became a *firm* market in Textiles when speculative buying in a thin market lifted the shares 4 to 34p, after 35p. John Haggas, also a thin market, found renewed support at 280p, up 10, while Hicking Pentecost hardened 2 to 63p on the higher first-half profits. "Snia-Viscosa" put on 4 to 94p, while David Dixon held steady at 34p awaiting to-morrow's preliminary results. Courtaulds, however, eased a penny to 84p, after 83p, on further consideration of the first-half figures.

Interest waned considerably in *Tobaccos which closed a shade* easier for choice.

South African Industrials were generally a shade easier, where changed, with Anglo Transvaal Industries 4 off at 100p.

An improvement of 4 to 157p in Guthrie provided the only movement worthy of note in Plantations.

Golds ease afresh

The continuing decline in the bullion price, which fell $1.75 more to $132 per ounce, making a two-day loss of $7.25, prompted further selling of South African Golds.

Business in shares, however, was by no means active and prices generally drifted in subdued trading. In late dealings initial "cheap" buying from U.S. sources tended to cause prices to harden momentarily but as that interest waned they eased afresh to close around the day's lowest and left the Gold Mines index down 3.4 more at 137.2.

Losses in the heavier-priced stocks ranged to ¾, as in Randfontein, £22, while Free State Geduld and St. Helena were both a half-point off at £11 and £12 respectively.

Among the lower-priced issues, Grootvlei reacted 9 to 88p and Loraine dropped 8 to 87p.

Financials also drifted, reflecting the tone of Golds and lack of interest. In the London-based Financials, Charter fell 6 to 123p, after 127p, on consideration of the half-year results. Selection Trust dropped 10 to 390p; half-year figures are expected to-day.

Business in the overseas-based issues was minimal. "Amcoal" declined 10 to 420p, while Rand Selection, which is about to report full-year earnings, lost a similar amount to 460p.

Rhodesians were generally a few pence lower as were Coppers and Platinums. In quietly easier Tins Tongkah Harbour were unchanged at 42p following the reduced dividend and lower profits.

Australians were neglected, with prices being marked down in line with the overnight trend in Sydney and Melbourne. In dull Uraniums, Pancontinental dropped 50 to 800p, EZ Industries gave up 20 to 280p and Peko-Wallsend shed 10 to 370p.

Elsewhere, Noranda Mines lost £1¼ more to £26, reflecting unease over the election of the separatist Parti Quebecois in the Quebec Provincial elections.

FINANCIAL TIMES STOCK INDICES

	Nov. 17	Nov. 16	Nov. 15	Nov. 12	Nov. 11	Nov. 10	A Year ago
Government Secs.	57.97	57.92	57.93	57.72	57.50	57.76	58.55
Fixed Interest	57.54	57.52	57.37	57.38	57.38	57.36	59.01
Industrial Ordinary	311.1	310.2	311.8	308.9	299.4	308.7	377.6
Gold Mines	137.2	140.6	151.0	143.8	138.3	140.4	233.5
Ord. Div. Yield	7.04	7.04	7.00	7.08	7.27	7.20	5.62
Earnings Y'ld % (full) (a)	21.93	21.95	21.83	22.04	22.69	22.45	15.60
P/E Ratio (net) (a) (b)	6.68	6.69	6.70	6.64	6.46	6.53	9.34
Dealings marked	4,223	4,908	4,746	4,462	4,760	4,880	8,820
Equity turnover £m.	—	56.19	56.98	60.67	49.21	54.07	74.86
Equity bargains total	—	10,738	11,580	11,183	10,477	10,822	19,106

10 a.m. 310.5. 11 a.m. 311.4. Noon 309.2. 1 p.m. 308.7. 2 p.m. 308.7. 3 p.m. 308.8.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=6.63.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.41 (30/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.44 (4/5)	55.37 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.6 (4/5)	265.3 (27/10)	543.5 (19/5/72)	49.4 (26/6/40)
Gold Mines	346.9 (2/1)	78.6 (2/8)	442.3 (22/5/7)	42.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 17	Nov. 16
Daily—		
Gilt-Edged	184.7	204.5
Industrials	128.4	144.7
Speculative	29.7	43.8
Totals	96.1	111.2
5-day Av'r'ge.		
Gilt-Edged	198.8	206.0
Industrials	138.9	142.7
Speculative	44.9	48.4
Totals	105.1	108.1

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section

	EQUITY GROUPS	Wed. Nov. 17, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tues. Nov. 16 Index No.	Monday Nov. 15 Index No.	Friday Nov. 12 Index No.	Thur. Nov. 11 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	115.18	+0.3	23.39	8.18	6.35	6.35	114.86	116.01	115.90	112.20	142.60	160.06 (21/4)	100.83 (28/10)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	100.02	+1.4	22.81	9.63	6.60	6.60	98.60	99.61	96.81	95.16	137.47	150.18 (15/1)	85.53 (27/10)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	145.46	+1.6	30.78	7.50	5.01	5.01	143.15	145.63	141.37	141.05	263.02	260.20 (15/1)	128.08 (27/10)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	217.63	−1.1	20.57	6.22	7.03	7.22	220.11	223.62	217.88	211.56	249.80	287.30 (21/4)	190.54 (27/10)	350.04 (4/6/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	143.98	−0.6	32.24	8.67	4.54	4.48	144.82	146.10	145.19	143.11	164.07	195.16 (2/6)	125.58 (27/10)	202.37 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	108.17	+0.5	23.91	8.64	6.17	6.16	107.64	108.25	107.15	106.30	123.15	149.29 (3/5)	95.20 (28/10)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	50.24	+0.3	19.24	8.84	7.78	7.77	50.09	50.24	49.38	49.47	50.42	60.62 (3/5)	46.29 (11/10)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	100.31	+0.1	20.96	9.04	7.03	6.96	100.25	100.48	100.33	99.31	120.32	141.94 (11/5)	90.23 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (33)	99.71	+0.4	24.50	7.09	6.11	6.10	99.30	99.14	97.62	95.65	116.91	141.46 (21/4)	83.14 (28/10)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	107.08	+0.6	22.66	5.48	6.56	6.55	106.44	105.43	102.94	100.57	126.90	160.35 (7/4)	87.51 (27/10)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (13)	109.71	+0.2	27.95	10.99	5.46	5.44	109.54	108.36	108.30	107.65	166.90	187.22 (7/4)	104.30 (28/10)	265.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	68.16	+0.3	25.98	8.16	5.77	5.77	67.98	68.77	68.18	66.75	69.97	85.16 (3/5)	56.10 (22/10)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	118.87	+0.5	19.18	8.20	7.88	7.80	118.24	119.38	117.08	114.73	151.26	162.24 (4/2)	104.41 (27/10)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	120.68	+0.6	20.18	9.51	7.43	7.43	119.90	121.80	120.61	120.02	166.76	179.45 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	130.18	+1.3	18.21	8.51	8.43	8.43	128.48	130.65	129.49	127.82	153.72	190.67 (5/5)	124.71 (28/10)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (14)	147.00	+0.7	18.06	9.13	8.45	8.37	146.03	146.14	143.87	140.07	180.77	211.26 (2/5)	127.11 (28/10)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (23)	138.89	+1.4	20.51	6.66	7.41	7.36	136.94	138.22	135.78	132.65	165.85	179.44 (11/5)	120.54 (27/10)	211.65 (1/5/72)	59.67 (11/12/74)
18	Food Retailing (16)	111.37	−0.2	17.35	7.07	8.46	8.46	111.59	111.90	109.77	107.52	152.79	150.05 (12/1)	92.79 (22/10)	235.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	176.11	−0.2	14.21	6.04	10.65	10.65	176.42	176.83	175.41	173.57	160.87	184.46 (11/5)	148.46 (12/10)	260.29 (15/1/72)	55.08 (6/1/75)
20	Packaging and Paper (12)	84.51	+0.2	18.19	9.52	8.44	8.44	84.35	86.01	82.19	81.96	101.01	112.50 (26/2)	72.34 (27/10)	135.69 (25/4/72)	43.46 (6/1/75)
21	Stores (34)	92.50	—	16.72	7.72	9.21	9.19	92.47	93.62	91.91	89.65	129.68	136.24 (2/2)	78.47 (26/10)	204.59 (16/8/72)	52.65 (6/1/75)
22	Textiles (24)	109.75	+0.8	19.45	10.70	7.80	7.04	108.85	108.43	107.46	105.20	157.56	183.24 (30/1)	96.76 (27/10)	235.72 (17/1/69)	62.66 (11/12/74)
23	Tobaccos (3)	188.82	+0.3	23.21	9.14	6.41	6.41	188.32	191.15	184.03	179.53	216.47	241.98 (5/6)	167.36 (23/10)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	70.31	—	23.55	9.02	5.70	5.67	70.31	69.82	67.88	67.88	63.61	80.95 (16/7)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	182.10	+0.3	17.34	6.32	7.86	7.86	181.59	183.11	178.92	175.16	191.57	231.38 (3/5)	155.10 (27/10)	231.38 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	64.71	+0.5	18.67	8.16	7.83	7.83	64.41	65.52	64.22	62.46	92.93	100.18 (19/5)	58.33 (22/10)	246.06 (1/9/72)	45.54 (2/1/75)
27	Shipping (12)	340.64	+1.4	14.92	7.74	9.56	8.67	336.10	338.91	336.21	333.14	399.62	432.64 (30/1)	308.48 (26/10)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	123.07	−0.8	19.17	9.56	7.85	7.84	124.04	125.20	123.74	121.96	154.80	172.98 (21/4)	108.14 (27/10)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	123.03	+0.3	20.04	7.92	7.37	7.33	122.62	123.71	121.42	119.17	150.50	168.48 (3/5)	107.32 (27/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	*OILS (4)*	372.84	−0.9	11.42	4.70	10.14	9.33	375.28	374.53	368.15	362.96	335.14	395.84 (2/5)	313.67 (11/10)	431.66 (23/1/69)	87.23 (29/6/62)
31	500 SHARE INDEX	142.94	+0.1	18.38	7.30	7.78	7.65	142.81	143.71	141.08	138.60	165.88	185.00 (3/5)	128.80 (27/10)	227.95 (16/9/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	102.33	+0.5	—	7.68	—	—	101.87	102.27	100.90	99.32	138.08	155.46 (30/1)	87.19 (28/10)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	131.33	—	25.72	7.00	5.98	5.98	131.33	131.41	129.54	128.89	167.40	192.16 (29/1)	111.33 (27/10)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	131.68	+2.9	—	10.58	—	—	127.95	127.95	128.66	128.39	169.90	186.52 (15/1)	97.72 (28/10)	293.15 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	65.99	−0.6	10.97	9.94	20.30	20.30	66.36	65.51	61.91	60.88	95.83	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	80.33	−0.4	—	9.42	—	—	80.68	81.15	81.37	80.22	126.91	129.46 (30/1)	74.11 (28/10)	194.46 (15/5/72)	44.88 (2/1/75)
37	*Insurance (Composite) (7)*	79.29	+0.9	—	9.32	—	—	78.58	79.12	78.60	77.06	109.74	119.75 (30/1)	68.99 (28/10)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	215.20	−0.6	13.65	6.47	10.94	10.94	216.53	213.58	209.51	206.15	231.41	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	51.81	+1.3	—	8.07	—	—	51.16	50.65	50.89	50.66	89.10	93.83 (27/1)	45.15 (28/10)	278.67 (1/5/72)	31.21 (7/1/76)
40	Property (32)	123.18	+1.5	5.00	4.49	36.22	34.18	121.36	123.94	119.37	114.91	162.24	194.57 (30/1)	96.95 (27/10)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	61.23	−0.2	21.95	13.60	6.93	6.93	61.33	60.73	61.14	60.56	80.50	91.98 (3/2)	55.37 (28/10)	303.18 (18/6/72)	33.29 (17/12/74)
42	Investments Trusts (50)	127.14	+0.6	4.16	6.05	24.85	24.85	126.40	126.48	124.73	123.94	178.16	184.55 (30/1)	115.09 (28/10)	246.79 (26/4/72)	71.65 (16/12/74)
43	ALL-SHARE INDEX (650)	132.57	+0.2	—	7.50	—	—	132.33	133.07	130.78	128.59	159.61	172.64 (30/1)	116.49 (27/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (9)	496.18	+1.5	9.49	5.68	15.31	14.18	488.89	490.66	490.23	487.41	408.41	523.40 (7/6)	404.67 (14/1)	555.37 (23/7/75)	84.68 (25/8/65)
45	Teas (8)	130.27	—	32.37	9.44	4.07	3.93	130.27	130.37	130.15	127.06	116.74	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	154.62	−0.5	41.90	7.24	2.39	2.39	155.47	157.38	151.97	148.15	256.17	301.47 (7/1)	145.41 (5/11)	567.78 (15/1/73)	94.08 (29/4/62)
47	Mining Finance (11)	85.58	−1.0	10.91	5.64	10.06	9.98	86.47	87.46	85.73	84.77	108.99	119.77 (7/1)	77.55 (15/10)	179.90 (26/4/69)	66.31 (30/9/74)
48	Tins (5)	120.13	−1.4	11.77	9.25	13.06	12.90	121.80	122.28	124.88	125.35	94.79	126.36 (7/10)	86.09 (9/2)	126.36 (7/10/76)	54.83 (27/6/70)
49	*Overseas Traders (13)*	198.35	+0.3	17.22	6.90	7.87	7.86	197.75	199.07	198.15	196.13	226.62	254.47 (5/5)	178.31 (27/10)	254.47 (5/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Wed. Nov. 17 Index No.	Wed. Nov. 17 Yield %	Tuesday Nov. 16	Monday Nov. 15	Friday Nov. 12	Thurs. Nov. 11	Wed. Nov. 10	Tuesday Nov. 9	Monday Nov. 8	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.19	15.19	15.19	15.46	15.27	15.27	15.38	15.37	14.75	—	—	—	—
2	20-yr. Govt. Stocks (6)	44.03	‡14.66	44.00	44.03	43.72	*43.54	43.86	43.62	43.42	46.69	53.45 (30/1)	42.31 (27/10)	115.48 (11/7/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	44.22	‡16.59	44.16	43.91	44.06	44.04	44.04	44.01	44.07	46.11	52.40 (21/5)	43.09 (2/11)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	42.85	16.35	42.60	43.07	43.63	43.58	43.49	43.41	43.56	46.48	51.23 (18/2)	40.54 (8/10)	114.41 (13/8/63)	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.87	15.06	59.30	59.12	59.06	58.80	58.32	57.87	57.87	64.44	71.97 (2/2)	54.89 (8/10)	114.96 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering (Heavy)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Engineering (General)	31/12/71	153.84	All Other	10/4/62	100.00
Wines and Spirits	16/1/70	184.76			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			
Food Retailing	29/12/67	114.13			

‡ Redemption yield. FT-Actuaries indices are calculated by Excel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included. * Corrected.

CONSTITUENT CHANGE: Hall Thermotank (Capital Goods Miscellaneous) has been replaced by Crown House (Engineering General).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BP	£1	13	700	+4	700	557
ICI	£1	12	305	—	402	256
BATs Defd.	25p	10	213	—	225	183
Courtaulds	25p	10	84	−1	169	73
Unilever	25p	10	410	+2	500	346
Shell Transport	25p	9	408	+2	462	352
Bowater	£1	8	165	−2	230	122
Charter Cons.	25p	8	128	−6	199	101
Willis Faber	25p	8	185	−5	197	183
Beecham	25p	7	332	—	390	269
Cons. Gold Fields	25p	7	151	—	220	113
Distillers	50p	7	100½	+½	158	95½
Gen. Accident	25p	7	128	—	175½	117
B. H. Prop. "New"	Nil/pd.	6	235*	−5	385*	235*
Commercial Union	25p	6	93	—	158	75

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22

Calls were arranged in Shell Transport, British Land, International Computers, Ransome Hoffmann Pollard, Lonrho, Town and City and Edinburgh Industrial Holdings. EMI were dealt in for the put, while double options were transacted in EGA Holdings, MAMs and EMI. No short-dated deals were reported.

Industrials							
		E.M.I.	17	Midland Bank	22	Cap. Counties	5
A. Brew	5½	Fitch Lovell	6	Nat'l West Bank	20	E.P.	6
A. P. Cement	15	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
Assoc. Leisure	5	Gen. Electric	13	P & O Dfd.	11	Land Securities	14
BSR	9	Glaxo	35	Plessey	7	MEPC	7
Babcocks	8	Grand Met.	7	R.H.M.	5	Peachey	6
Barclays Bank	22	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Berry Wiggins	5	Guardian	18	Reed Int'l	25	Town & City	2½
Beecham	28	G.K.N.	25	Reyrolle	11		
Boots Drug	12	Hawker Sidd.	56	Rothmans	4	Oils	
Bowaters	16	House of Fraser	6	Slater Walker	4	Brit. Petroleum	40
B.A.T.	21	I.C.I.	20	Spillers	4	Burmah Oil	4½
British Leyland	5	"Imps"	7	Tesco	4	Shell	27
BOC In.	5½	I.C.L.	14	Thorn 'A'	22	Ultramar	14
Brown (J.)	9	Inveresk	7	Trust Houses	9		
Burton 'A'	6½	Legal & General	12	Tube Invest.	7	Mines	
Cadburys	5	Ladbroke	11	Unilever	38	Charter Cons.	15
Cavenham	10	Lex Service	5½	Utd. Drapery	8	Chart'rhll Fin.	4
Courtaulds	11	Lloyds Bank	22	Vickers	15	Cons Gold	15
Debenhams	8	"Lofs"	4	Williams Hud'n	4	Hampton Area	12
Distillers	13	London Brick	4½	Woolworths	6	Lourino	19
Dunlop	7½	Lucas Inds.	20			Rio T. Zinc	18
Eagle Star	11	"Mams"	7	*Property*		*Western M'ng.*	7
		Marks & Sp'ncer	8	Brit. Land	5½		

Money control curbs guide

AN ATTEMPT to provide a complete guide to U.K. exchange controls has been made by Mr. Anthony Everett, of Binder Hamlyn, in the latest Accountants Digest to be issued by the Institute of Chartered Accountants.

Exchange control, first introduced in 1939 as a wartime measure, was superseded by the Exchange Control Act (1947) which is still the legal basis of exchange control.

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (1)

TRUSTS (1)
Edinburgh Industrial

NEW LOWS (6)

AMERICANS (1)
I.U. International

ELECTRICALS (1)
Philips Finance 5¼pc

FOODS (1)
Pyke (W. J.)

INDUSTRIALS (1)
Stelox Mfg.

PROPERTY (1)
Lend Lease

OILS (1)
Texaco 4¾pc.Cnv.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	50	—	11
Corpns. Dom. and Foreign Bonds	9	3	48
Industrials	285	176	1,212
Financial and Prop.	153	43	356
Oils	7	4	25
Plantation	4	—	34
Mines	8	67	50
Recent Issues	4	5	21
Totals	520	298	1,757

BASE LENDING RATES

Allied Irish Banks Ltd.	14 %
American Express Bank	14 %
Anglo-Portuguese Bank	14 %
Henry Ansbacher	14½%
Banco de Bilbao	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque du Rhone S.A.	14½%
Barclays Bank	14 %
Barnett Christie Ltd.	15 %
Bremar Holdings Ltd.	14 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14½%
Canada Permanent AFI	14 %
Capitol C & C Fin. Ltd.	14 %
Cayzer, Bowater Co. Ltd.	14 %
Cedar Holdings	12½%
■ Charterhouse Japhet	14 %
C. E. Coates	15 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Securities	14 %
Credit Lyonnais	14 %
G. R. Dawes	15 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First London Secs.	14 %
First Nat. Fin. Corp.	16 %
First Nat. Secs. Ltd.	16 %
■ Antony Gibbs	14 %
Goode Durrant Trust	14 %
Greyhound Guaranty	14 %
Grindlays Bank	†14 %
■ *Guinness Mahon*	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bank of Scot.	14 %
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London & European	14½%
London Mercantile	14 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster Accept'cs.	14 %
Royal Bk. Canada Trust	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Development Bk.	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11¼%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11¼% and over £25,000 11½%.
§ Demand deposits 11%.
¶ Call deposits over £1,000 11%.

CORAL INDEX
Close 308-313

INSURANCE BASE RATES

† Atlantic Assurance	12 %
Cannon Insurance	13 %

† Address shown under Insurance and Property Bond table.

MONEY MARKET

Interest rates steady

Bank of England Minimum Lending Rate 15 per cent. (since October 7, 1976)

Short-term fixed period interest rates were fairly steady in the London money market yesterday. Very short-term rates tended to increase, reflecting the continued shortage of day-to-day credit, while the longer periods were firmer. Discount houses buying rates for three-month Treasury bills were slightly easier in places, and continue to indicate a possible cut in Minimum Lending Rate on Friday. The market is very dubious about the likelihood of any change in MLR however.

Day-to-day credit was in short supply and the authorities gave assistance by buying a moderate amount of Treasury bills and local authority bills from the discount houses.

Government disbursements exceeded revenue payments to the Exchequer, but this was outweighed by a net market take-up of Treasury bills and repayment of the previous day's official assistance to the market.

Discount houses paid 15 per cent. for secured call loans in the early part, and although some funds may have been found at 14½ per cent., closing balances were generally taken in the region of 14½-15 per cent.

In the interbank market overnight loans opened at 15-15½ per cent. and [illegible] per cent. at lunch. During the afternoon rates varied between 15-16 per cent. and 18-20 per cent. before closing at 15-16 per cent.

Rates in the table below are nominal in some cases.

Nov. 17 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury Bills ♦	Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15-20	[illegible]	—	—	—	[illegible]	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	[illegible]	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	—	—	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	[illegible]	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

مكبرا من الاصل

AUTHORISED UNIT TRUSTS

Bridge Fund Managers♥(a)(c)
King William St., EC4R 9AR 01-623 4951

Bridge Inc.	151.0	163.6	.....	10.60
Bridge Cap. Inc.	22.6	24.1	+0.8	4.81
Bridge Cap. Acc.	24.0	25.6	+0.8	4.81
Bridge Exempt	73.0	80.0	+3.0	7.18
Bridge Intl. Inc.	12.0	12.8	+0.1	4.81
♦Bridge Intl. Acc.	12.6	13.5	+0.2	4.81

Prices Nov. 15. Next sub. day Nov. 24.

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	34.4	36.4	-0.2	7.29
BL Balanced*	29.2	31.2	.....	7.55
BL Capital*	25.9	27.7	.....	6.97
BL Dividend*	27.6	29.5	.....	9.54

Prices on Nov. 17. Next dealing Nov. 24.

Brown Shipley & Co. Ltd.♥ (x)(c)
Mngrs. Founders Ct., EC2 01-600 8520

BS Units*	138.6	157.5	.....	7.90
Do. (Accum.)*	155.8	164.0	.....	7.90
BS Exept Nov. 1	79.3	79.3	.....	7.70

Prices on Nov. 16. Next sub. day Nov. 23.

Canada Life Unit Tst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen. Dist.	25.7	27.8	.....	5.87
Do. Gen. Accum.	29.8	31.4	.....	5.87
Do. Inc. Dist.	23.2	24.5	+0.1	10.40
Do. Inc. Accum.	28.3	29.5	.....	10.40

Capel (James) Mngt. Ltd.♥
100 Old Broad St., EC2N 1BQ 01-588 6010

Capital	51.3	54.1	.....	5.24
Income	44.7	47.1	.....	9.53

Prices on Nov. 17. Next dealing Dec. 1.

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)
Milburn House, Newcastle-upon-Tyne 21165

G.T. Unit Managers Ltd.♥
16, Finsbury Circus EC2M 7DD 01-628 8131

G.T. Cap. Inc.	51.9	55.2	.....	3.80
Do. Acc.	60.2	64.0	.....	3.80
G.T. Inc. Fd. Un.	92.5	98.4	.....	10.70
G.T. U.S. & Gen.	118.5	126.1	.....	1.90
G.T. Japan & Gen.	213.5	227.2	.....	0.90
♦Gt. Pens. Ex. Fd.	108.9	114.3	.....	2.80
G.T. Int'l Fund	95.2	101.2	.....	0.90

♥G. & A. Trust (a) (g)
5, Rayleigh Rd., Brentwood (0277) 227300

G. & A.	20.4	21.8	+0.1	7.11

Gartmore Fund Managers ♥ (a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531

(a)American Tst.	23.3	25.0	+0.1	2.62
British Tst. (Acc.)	28.7	30.9	.....	5.48
Capital Fund	100.9	108.0	-0.3	4.33
Far Eastern Trust	24.0	25.8	+0.1	3.53
High Income Tst.	32.4	34.8	.....	12.98
Income Fund	39.3	42.2	.....	11.13
Ins. Agencies	£10.96	11.70	+0.02	5.26
Intl. Exempt Fd.	66.8	71.8	+0.4	7.22
(s)Int. Tst. (Acc.)	26.3	28.3	+0.2	1.91

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a) A.G. Income*	23.4	25.2	.....	12.5
(a) A.G. Growth††	20.1	21.5	.....	6.98
(a) A.G. Far East*	24.5	26.4	.....	0.30

Dealing *Tues. ††Wed.

Govett (John)♥
77, London Wall, E.C.2. 01-588 5620

Stockholder Nov. 5.	100.4	105.8	.....	2.17
Do. Accum. Unit	117.6	124.8	.....	2.17

Next dealing day Nov. 19.

Grieveson Management Co. Ltd.
59 Gresham St., EC2P 2DS. 01-606 4433

REGIONAL MARKETS

LEADERS AND LAGGARDS

...ering (General)	— 13.66	Property	— 30.43
...	— 14.67	Insurance (Life)	— 31.27
Manufacturing	— 15.47	Textiles	— 33.27
...re Index	— 16.29	Household Goods	— 34.98
...er Goods (Durable) Group	— 17.56	Hire Purchase	— 35.93
...al Group	— 18.23	Merchant Banks. Issuing Houses	— 40.83
...ng and Paper	— 18.99	Coppers	— 40.53
...Goods Group	— 19.10	Gold Mines F.T.	— 40.92
...	— 20.70	Contracting and Construction	— 42.82
...er Goods (Non-durable)		* Percentage changes based on Tuesday,	
...	— 20.94	November 16, 1976 indices.	

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
101[illegible]	99[illegible]	Treasury 10½pc 1976‡‡	99[illegible]	....	10.55	13.96
96[illegible]	95[illegible]	Treasury 6¾pc 1977‡‡	97⅞	+[illegible]	6.39	13.39
97¾	94½	Electric 3pc 74-77	97⅜	+⅛	3.08	11.47
103[illegible]	97[illegible]	Treasury 11½pc 77‡‡	98[illegible]	+[illegible]	11.70	13.59
95⅛	91[illegible]	Treasury 3pc 77‡‡	94⅛xd	+[illegible]	3.19	9.39
95⅞	92¼	Transport 4pc 72-77	94[illegible]xd	+[illegible]	4.23	9.47
99[illegible]	90½	Treasury 9pc 1978‡‡	95⅝	+[illegible]	9.41	12.67
101½	93⅞	Treasury 10¼pc 78‡‡	95[illegible]	+[illegible]	10.98	13.50
93¼	89[illegible]	Exch 5p 76-78	90½	+⅛	5.52	10.76
103[illegible]	92[illegible]	Treasury 11½pc 79‡‡	94¼	+⅛	12.14	14.22
98¼	92[illegible]	Treas. 11¼pc 79 'A'‡‡	94[illegible]	+⅛	12.15	14.24
88⅞	82¼	Treasury 3pc 79‡‡	83⅛	+¼	3.61	9.97
89⅞	82¼	Electric 4¼pc 74-79	84[illegible]	+⅛	5.05	10.82
100[illegible]	88⅞	Treasury 10½pc 79‡‡	91¼	+[illegible]	11.51	14.21
88¼	82¼	Electric 3½pc 76-79	83⅛xd	+¼	4.21	10.18
96[illegible]	84½	Treasury 9pc 1980‡‡	86[illegible]	+⅛	10.39	14.22
96½	84[illegible]	Treasury 9½pc 80‡‡	87[illegible]	+[illegible]	10.91	14.36
86	78¼	Treasury 3½pc 77-80	79¼xd	+[illegible]	4.42	10.65
89½	80	Funding 5¼pc 78-80‡‡	81[illegible]	+[illegible]	6.46	11.83
103[illegible]	88½	Treasury 11½pc 1981‡‡	91[illegible]	+⅛	12.62	14.39
86	76¼	Treasury 3½pc 1979-81	77⅛	+[illegible]	4.54	10.27
95⅝	82[illegible]	Treasury 9¾pc 1981‡‡	85[illegible]	+[illegible]	11.41	14.33

Five to Fifteen Years

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
94⅛	79⅞	Treasury 8¼pc '80-82‡‡	83⅛	+¼	10.60	13.99
70⅝	69¼	Treasury 3pc '82‡‡	70⅞	+⅛	4.28	10.57
98¾	98⅛	Treasury 14pc '82‡‡	98[illegible]	+⅛	14.23	14.45
107¼	88⅞	Treasury 12pc 1983‡‡	92⅛	+¼	13.32	14.43
81⅛	69[illegible]	Funding 5½pc '82-84‡‡	71¾	+⅛	7.87	11.85
87⅝	74[illegible]	Treasury 8¼pc '84-86‡‡	77⅝	+⅛	11.40	13.23
74⅞	60⅛	Funding 6½pc '85-87‡‡	62⅞	+⅛	10.39	13.20
77⅝	65¼	Treasury 7¾pc '85-88‡‡	68	+⅛	11.82	13.88
51¼	44[illegible]	Transport 3pc '78-88	47	+⅛	6.54	11.60
59[illegible]	48	Treasury 5pc '86-89	50¼	+⅛	10.04	13.20
103¼	87¾	Treasury 13pc 1990‡‡	91¾	+⅛	14.90	15.24
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.05	14.59

Over Fifteen Years

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 39¾% (based on $US1.6595 per £)

Conversion factor 0.7154 (0.7182)

مكذا من الأصل

صكنا من الاجل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	1976 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
710	250	Blyvoor 25	395	−5	Q75c	1.6	13.7
£14	440	Buffels R1	730	−20	Q125c	1.6	12.4
*140	70	Deelkraal R0 20	98	−2	—	—	—
760	125	Doornfontein R1	275	−10	Q55c	2.2	14.5
965	330	East Drie R1	650	−20	Q75c	1.7	8.3
280	122	Elandsrand Gld 20c	170	......	—	—	
190	44	Elsburg R1	105	−3	‡Q31.8c	1.0	‡
£16½	520	Hartebeest R1	£10⅛	−½	Q190c	1.3	13.6
695	260	Kloof Gold R1	400	−10	Q47c	1.5	7.1
760	140	Libanon R1	325	......	Q80c	2.0	18.4
740	230	Southvaal 50c	390	−10	Q8c	1.3	1.5
245	92	Stilfontein 50c	150	......	‡Q36c	2.2	‡
£20¾	700	Vaal Reefs 50c	£11¼	−¼	‡Q175c	2.1	‡
420	48	Venterspost R1	165	−10	Q25c	3.6	11.0
£35	£11¼	W. Drie R1	£20¼	......	Q335c	1.5	12.0
315	68	Western Areas R1	172	−6	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	820	−30	‡Q147c	1.6	‡
290	100	Zandpan R1	180	−5	Q31½c	1.0	12.6

O.F.S.

1976 High	1976 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
170	60	Free State Dev 50c	115	......	Q9c	0.6	5.7
£22½	715	F.S Geduld 50c	£11	−½	Q200c	ϕ	13.2
200	50	F. S. Saaiplaas R1	92	+2	6c	2.6	4.7
465	170	Harmony 50c	290	−5	‡Q65c	1.9	‡
195	38	Loraine R1	87	−8	Q6c	0.5	5.0
£18½	10⅞	Pres. Brand 50c	950	−37	Q170c	ϕ	12.9
£13	395	Pres. Steyn 50c	730	−20	Q45c	ϕ	4.5
£23⅛	750	St. Helena R1	£12	−½	Q170c	ϕ	10.2
174	70	Unisel	126	−4	—	—	—
330	125	Welkom 50c	210	−5	Q15c	ϕ	5.2
£25½	950	W. Holdings 50c	£15¼	−¼	Q310c	ϕ	14.7

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent, or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Thursday November 18 1976

British Steel loses £43m. in first half

BY ROY HODSON

A £43M. LOSS after making interest payments was disclosed by the British Steel Corporation last night on the six months trading from April to September. These figures indicate that the corporation will have difficulty in achieving its financial target of breaking even in 1976-77.

Even so the first-half result is better than the corporation had budgeted for. It is a marked improvement on the first half of 1975-76 when the corporation piled up losses of £125m. before going on to incur a deficit of £255m. after taxation for the whole financial year.

Events have moved against the corporation during the past few months. It is now clear to the BSC management that there will be little or no opportunity between now and next March to increase production and sales sufficiently to cover the £43m. half-year deficit.

During the half-year to end-September, BSC improved production by 21 per cent. over the first half of the previous year and was allowed to apply a series of price increases to bring its prices more into line with ruling world prices.

However, the strong upturn in demand for steel this year by the consumer goods industries in Europe and America has not been followed by an improvement in capital goods industries.

BSC now foresees, at best, steel demand remaining on a plateau over the winter. Other European steel producers are taking a gloomier view and believe demand could fall, although not to the low levels of a year ago.

The corporation started 1976-77 with a production target of 22.8m. tonnes. During the first half-year actual production was 9.8m. tonnes and it is unlikely that BSC will produce more than 21m.-22m. tonnes in the year.

Blast furnace

Sir Charles Villiers, who became chairman two months ago, estimates the corporation needs to make nearly 23m. tons to break even

Last year's £255m. loss was incurred on abnormally low production of 17.2m. tonnes.

Although the corporation's senior management has said that its works are over-manned by up to 60,000 men, it is not expected that there will be moves to reduce overall manning levels this winter. Instead BSC will attempt to improve productivity to achieve higher tonnages per man-shift.

BSC's review of plans for the Port Talbot and Shotton plants in Wales is to be passed on to the Government shortly. The need for a new blast furnace to provide extra iron-making capacity at Port Talbot will be stressed.

Davy-Ashmore has already done some design and construction work on a 10,000 tonne-a-day furnace for the Port Talbot works.

When BSC ordered a 10,000 tonne furnace for the Redcar Teesside works it was realised that considerable savings could be achieved if two furnaces were built to similar specifications, but last July the Government asked BSC to reconsider increasing capacity.

BSC hopes the Government will agree that the planned new hot strip mill at Port Talbot can only be operated if it is served by new iron and steel-making capacity.

New figures further weaken hopes of economic growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT's hopes for sustained economic growth were further undermined yesterday by official figures showing that the level of economic activity was almost unchanged in the third quarter, while consumer spending showed only a slight and, possibly temporary, increase.

The figures highlight the sharp downward revision of the projected economic growth rate over the next year indicated by the Treasury's new National Income Forecasts.

Gross domestic product increased by 0.37 per cent. between the second and third quarters to 108.4 (1970=100, seasonally adjusted and at constant prices) on a preliminary estimate.

This rise is well within the margin of later revision so that officials regard the underlying trend as flat. This GDP figure is based on output data and is regarded as the most reliable measure of short-term movements of the three available methods of computing GDP—the others are based on income and expenditure and have differed sharply in the recent past.

The annual rate of growth is clearly well below the 4½ per cent. a year rate of increase projected by the Government in July. Even over the last six months, GDP on an output basis has only grown at an annual rate of 2¼ per cent.

CONSUMER SPENDING AND GROSS DOMESTIC PRODUCT (OUTPUT DATA)

		GDP 1970=100	Consumer Expenditure at 1970 prices
		(Seasonally adjusted)	
			£m.
1975	1st	109.3	8,989
	2nd	106.9	8,851
	3rd	106.0	8,776
	4th	106.3	8,758
1976	1st	107.8	8,866
	2nd	108.0	8,789
	3rd	108.4*	8,850*

* Preliminary estimate.

The tiny rise in GDP during the third quarter reflects a slightly higher level of activity in the distributive trades during the period, which offset a drop of nearly one-half per cent. in industrial output.

Recent CBI comments have suggested that while the pause in activity may only be temporary, growth from now on will not be particularly rapid.

A cautious view is also suggested by the fact that the only area of expansion in the third quarter was consumer spending. This could now be slipping back.

The Central Statistical Office second preliminary estimate indicates a rise of about ¾ per cent. in consumer spending—between the second and third quarters to £8.85bn. (at 1970 prices and seasonally adjusted).

Expenditure then appears to have been boosted by the tax rebates and a successful summer sales season. This led to a 7½ per cent. rise in the volume of spending on durable household goods between the quarters.

This offset a fractional drop in spending on motor vehicles and no change in the large housing, fuel and light items.

With the tax rebates having worked through, consumer spending may fall, though the continued squeeze on real personal disposable incomes could be offset to some extent by the impact of higher social security benefits which came into force this week.

Editorial Comment, Page 20

CBI-TUC to meet on pay curbs

BY ADRIAN HAMILTON

CONFEDERATION of British Industry leaders are to meet with the TUC economic committee next week in an effort to form a joint approach to wage restraint next year.

While the two sides seem broadly in agreement that some form of restraint may be necessary in phase three and that it will have to be more flexible than the present system, there is a wide area of potential disagreement.

At this stage, negotiations with the Government on a policy to succeed the existing phase of restraint when it ends next July are some way off and the attitudes of the both sides is far from formed.

But, at yesterday's council meeting, CBI leaders made clear their desire to seek some form of coordination of views with the unions and to propose detailed suggestions on productivity and incentives as soon as possible.

The CBI leadership is particularly concerned that, at a time when inflation is still forecast to remain high, the overall figure for increases in earnings under phase three is kept as low as possible.

Confederation calculations suggest that the wage bill could increase by as much as 20 per cent. if consolidation of existing increases is allowed, wage differentials are sorted out, and an additional rise is granted.

At the same time, its leadership, under strong pressure from the membership, is also concerned that the Government gives some assurance of greater incentives for management and the skilled worker.

Under these circumstances, the CBI appears to be moving towards a policy of seeking a tight phase three in which incentives were promised to management through tax concessions rather than directly through percentage pay increases. Its proposals could include a promise of better things in a fourth year if the Government felt unable to reduce tax too far next year.

The unions still seem reluctant to consider the concept of a long-term re-entry to free collective bergaining or a tight transitional phase three.

Following the Council meeting yesterday, Lord Watkinson, the CBI president, did indicate his own view that phase III and phase IV should be considered together, and that the CBI and TUC should try to come to some agreement before the Government made up its own mind.

The Government, he suggested, might want to introduce an overall ceiling at a later stage. But in the meantime, industry and unions should decide how this was to be interpreted.

Stage 2 accepted by 2.5m., Page 12

Weather

U.K. TO-DAY

DRY in W. Scotland and N. Ireland, but cloudy with rain elsewhere. Brighter weather spreading from W.

London, S.E., Cent. S., E., S.W. England, E. Anglia, E. Midlands, Channel Is.

Cloudy, rain at times. Max. 10C (50F).

W. Midlands, Wales, Cent. N., N.E. England, Lakes, Borders, Edinburgh, Dundee

Cloudy, some rain. Brighter later. Max. 9C (48F).

I. of Man, S.W., N.W. Scotland, Glasgow, Argyll, Shetland, N. Ireland

Mostly dry, some bright intervals. Max. 9C (48F).

Aberdeen, Highlands, Moray Firth, N.E. Scotland, Orkney

Rain at first, soon becoming dry with bright intervals. Max. 8C (46F).

Outlook: Mostly dry with sunny intervals. Widespread fog night and morning.

Lighting-up: London 16.37, Manchester 16.38, Glasgow 16.36, Belfast 16.48.

BUSINESS CENTRES

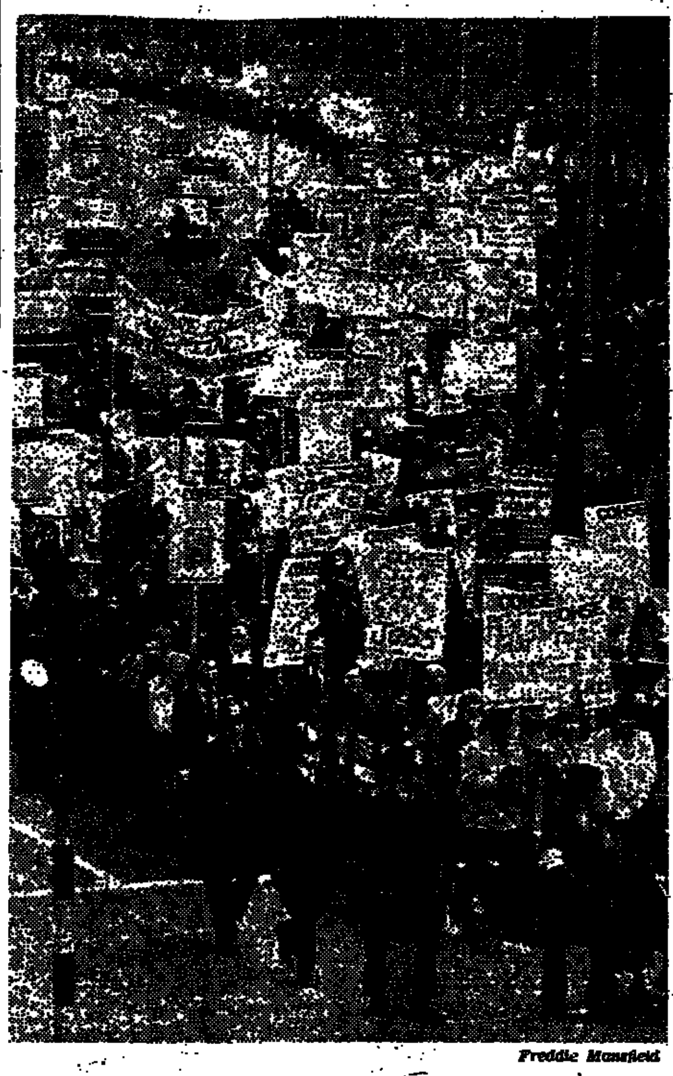
		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	23	73	Manchstr.	F	8	46
Amstrdm.	Fg	8	46	Melbourne	R	13	55
Athens	S	18	64	Mexico C.	S	20	68
Barcelona	S	13	55	Milan	S	9	48
Belfast	R	9	48	Montreal	S	7	45
Belgrade	F	10	50	Moscow	C	−1	30
Berlin	C	5	41	Munich	C	4	39
Birmghm.	F	8	46	Newcastle	F	7	45
Bristol	C	9	48	New York	S	9	48
Brussels	D	8	46	Oslo	S	−2	28
Budapest	C	6	43	Paris	C	9	48
B. Aires	R	19	66	Perth	C	24	75
Cairo	S	26	79	Prague	C	4	39
Cardiff	C	9	48	Reykjavik	C	3	38
Cologne	R	7	45	Rio de J'o	S	27	81
Copnhagn.	F	6	43	Rome	C	16	61
Dublin	C	10	50	Singapore	C	29	84
Edinburgh	C	[illegible]	[illegible]	Stockholm	S	2	36
Frankfurt	C	7	45	Strasbourg	C	8	46
Geneva	F	9	48	Sydney	S	19	66
Glasgow	C	1	34	Tehran	S	12	54
Helsinki	C	2	36	Tel Aviv	C	25	77
Hong Kg.	S	16	61	Tokyo	C	11	52
Jo'burg	S	25	77	Toronto	S	5	41
Lisbon	S	14	57	Vienna	C	7	45
London	C	10	50	Warsaw	C	6	43
Luxembrg.	C	[illegible]	[illegible]	Zurich	F	6	43
Madrid	S	21	70				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	18	[illegible]	Jersey	C	8	46
Algeciras	S	15	59	Las Plms.	F	21	70
Biarritz	C	10	50	Locarno	S	10	50
Blackpool	F	8	46	Luxor	S	30	86
Bordeaux	C	10	50	Majorca	S	15	59
Boulogne	C	9	48	Malaga	S	17	63
Casablnca.	S	17	63	Malta	C	18	64
Cape Tn.	R	20	68	Nairobi	S	23	73
Corfu	C	13	55	Naples	D	13	55
Dubrovnik	C	13	55	Nice	S	16	61
Faro	S	15	59	Nicosia	S	24	75
Florence	S	15	59	Oporto	S	15	59
Funchal	S	19	66	Rhodes	F	19	[illegible]
Gibraltar	F	16	61	Salzburg	C	8	[illegible]
Guernsey	C	9	48	Tangier	S	18	64
Innsbruck	C	7	45	Tenerife	F	17	63
Inverness	C	8	[illegible]	Tunis	R	18	64
Is. of Man	R	9	48	Valencia	S	15	59
Istanbul	C	14	57	Venice	F	11	52

S—Sunny. F—Fair. C—Cloudy. Fg—Fog. D—Drizzle. R—Rain.

UNIONS MARCH IN PROTEST



Freddie Mansfield

Demonstrators against the Government's expenditure cuts marching by Buckingham Palace yesterday on their way to lobby their MPs at Westminster. Well over 20,000, mostly public sector workers and students, took part in the demonstration which was orderly.

The demonstration, organised jointly by the National Union of Public Employees and the National and Local Government Officers' Association, attracted the support of more than a dozen unions and the Labour Party national executive—but not the TUC or the Transport and General Workers Union.

Other contingents came from the Civil and Public Services Association, the Association of Scientific, Technical and Managerial Staffs, the technical and supervisory section of the Amalgamated Union of Engineering Workers, the Confederation of Health Service Employees, and the National Union of Students.

This, the biggest show of trade union protest since the official TUC demonstration against the Conservative's Industrial Relations Act five years ago, culminated in a mass rally at the Central Hall Westminster where leaders of the participating unions called on the Government to adopt alternative economic policies involving the reinstatement of expenditure cuts.

War on Left wing unworthy—Heath

BY RICHARD EVANS AND PHILIP RAWSTORNE

CONSERVATIVES were urged last night by Mr. Edward Heath to adopt policies that would unite the nation and not fight an unworthy war against scroungers and Left-wing Labour MPs.

His comments, made at Westminster to Greater London Young Conservatives, are certain to spark a row inside the Tiry Party as the former leader was criticising by implication the leadership of Mrs. Margaret Thatcher.

Mrs. Thatcher played a prominent part in pressing the Government to introduce taxation of short-term unemployment benefit and, although she had not entered the backbench campaign against Left-wingers, she has made no attempt to curb their activities.

Many Conservative MPs are convinced that Mrs. Thatcher's more robust attitude is much more in tune with party thinking in the country than Mr. Heath's call for a more moderate unifying line.

Mr Heath's comments came after a Commons decision to send to the Committee of Privileges allegations by Mr. Iain Sproat, Conservative MP for Aberdeen South, that some Labour MPs were crypto-fifth columnists.

The former Tory leader gave a warning to his party against "revelling in squalor" and demanded positive leadership. "When it comes to elections we have to win on the basis of constructive and positive policies—and also on the basis that we can unite this nation."

But, in his view the Tory Party would never unite the nation on the basis of waging a campaign against scroungers "because the great majority of the 55m. Britons are not scroungers—they want positive leadership."

Clearly referring to Mr. Sproat's recent speech Mr. Heath adedd: "If we are to wage a campaign against a minority of Labour MPs on the alleged basis that they are subservient to Moscow, this goes back to 1923 and is past history.

"Our party must not revel in the squalor of this sort of appeal. We have to be positive. We must talk hard commonsense to people. Let us deal with things that matter and not deal in these things which are beneath us, things which are unworthy of us."

After bitter scenes in the Commons earlier, during which Mr. George Thomas, Speaker, twice threatened to suspend the sitting, MPs voted to refer Mr. Sproat's allegations to the Privileges Committee, one of the most senior committees of the Commons.

Mr. Sproat, invited to make a statement or leave the Commons chamber, walked out to cheers from Tory back benchers and hisses from Labour MPs.

After 2½ hours of increasingly bitter and noisy exchanges the Commons voted by 370 to 110 to refer the issue to the committee.

Mr. Sproat said afterwards: "I welcome the opportunity to go before the committee where I shall give evidence backing up my speech."

Parliament, Page 18

Rhodesia talks time limit sought in effort to break deadlock

BY DAVID EGLI

GENEVA, Nov. 17.

IN AN effort to encourage the two African delegations in the Patriotic Front to discuss the structure of an interim government for Rhodesia, thus breaking the existing deadlock in the conference, Britain is ready to negotiate a firm date for the conclusion of these talks.

This would have the great advantage for the nationalist delegations here, and particularly for those of Mr. Joshua Nkomo and Mr. Robert Mugabe, of tying down the final date for independence. It would also make it impossible for the White Rhodesians to delay the process by dragging their feet in negotiations.

Mr. Nkomo is believed to be under increasing pressure from most of the African front-line presidents and particularly President Kenneth Kaunda, of Zambia. He may now be willing to agree to this kind of compromise to allow the talks to proceed.

Whether Mr. Robert Mugabe would accept such an arrangement is still open to question although there are reports that Mozambique, where the guerilla forces are based, has been urging a more flexible approach.

Mr. Ivor Richard, the conference chairman, cannot afford to go much further with discussions on interim structures of government with the other two nationalist delegations of the Rev. N. Sithole and Bishop Muzorewa so long as Britain's rift with the "patriotic front" is not resolved.

The conference has already lost much of its impetus and the conviction among observers is that it now has only a very few days in which to establish its credibility.

However artificial, a firm target date would provide the kind of reassurances that the nationalists feel they need.

While awaiting an overture from Britain the Patriotic Front is already studying British ideas on the structure of a transitional government. In essence, Britain is looking for a two-tier system with a Council of Ministers and a small non-elected legislature.

Britain believes that a transitional government should work out of an independence constitution, supervise all the transitional processes and hold elections.

● Mr Anthony Crosland, the Foreign Secretary, told the Commons yesterday that he would be prepared to go to Geneva if this would save the conference from collapsing. Answering questions, Mr. Crosland said he was not predicting a collapse, but if there was a breakdown it would be "because of mistrust, scepticism and hostility borne of 11 years of illegal independence."

Guerillas killed, Page 8
Parliament, Page 18

THE LEX COLUMN

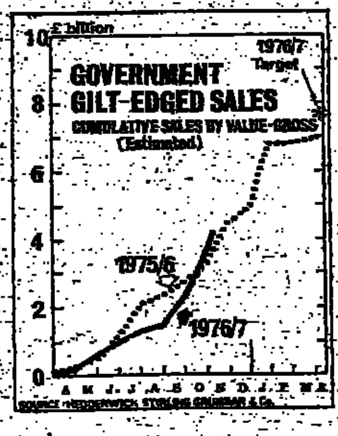
Slackening pace at Unilever

The underlying trend at Unilever is still upwards, but the period of explosive performance is now over. Profits have risen from £141m. pre-tax in the second-quarter to £153m. in the third, which represents real progress since the ice cream season on the Continent favours the earlier period. Sales growth is accelerating with a rise of 16 per cent. in the latest three months, and margins have climbed back above the 1973 level. Profits after nine months total £408m. against £219m., and since the impact of currency changes is only taken into the pre-tax figure at the year end, annual profits could emerge at something like £600m. (including maybe £70m. from currency movements) compared with £328m. in 1975.

However Unilever is being rather cautious about the pattern in Europe over the rest of the year. NV's margins are still a little below previous peaks, but the economic climate will limit further recovery. Edible oil prices are well above the low points seen this spring. And although profits from UAC International may double again this year in sterling terms (to acount for over a quarter of the operating total before minorities) its rate of growth currently seems to be slowing down somewhat.

Despite rising working capital needs, liquidity will probably have improved a little further during 1976. And the trading outlook for 1977 appears stable. However the group's currency hedge status will probably be the main short term influence on the share price: following the recent strength, the prospective yield is 4¼ per cent. and the p/e is about 5¾ at 410p.

Index rose 0.9 to 311.1



Woolworth

Woolworth's third quarter profits are at least a tenth ahead of most outside estimates with a rise from £9.8m. to £10.5m. pre-tax and disposals. Although turnover growth has stayed on course volume growth actually shaded modestly in the third quarter and the spurt in earnings reflects improved margins. After declines in the two previous quarters the group has managed to stabilise at the gross level, and net margins are something like a tenth up on a year ago. It begins to look as if profits overall this year can top £40m. pre-tax, against £36m. in 1975-1976.

So far Woolworth is happy enough about pre-Christmas demand, and it reckons the first phase of its policy towards changing the sales mix—a concentration into fewer product areas—is now complete. Cost pressures have eased progressively over the year and for 1977-78 the growth of both wages and other overheads could slow by around a quarter; the workforce has been cut by 2¼ per cent. since the third quarter of 1975-76 and this appears to be a continuing process. But a prospective p/e of around 9 at 46½p is still supported solely by a yield of 13.1 per cent. which this year could be covered around 1½ times.

Bank disclosure

BankAmerica Corporation's decision to publish a voluntary disclosure code, which it will adhere to from now on, will certainly raise a few eyebrows in European banking parlours—if not in North America.

For legal reasons U.S. banks already have to publish considerably more about their activities than do European banks, but BankAmerica has decided that in future it will disclose still more information about its market and bond services, international syndicate loans, trust department activities etc. The aim is to permit outsiders to evaluate BankAmerica's operations "from any point of view."

Translated into detail this means that the bank is now committed to disclosing a plethora of facts (sometimes on request) such as the size, maturity and geographical spread of its deposits; earnings of the bank's major profit centres; breakdown of its loan book; and data on "problem" loans. It also discloses extra detail about its trust business and "social responsibility." But draws the line at disclosing information about individual customers.

All this contrasts with the coyness of British and indeed other European banks in divulging information. Since "full disclosure" in 1969 the U.K. clearers have not advanced much further and in some respects—like the proportion of current accounts among their deposits—they have gone backwards. Poor information on foreign currency trading and overseas operations has become a more glaring drawback as these areas have swollen rapidly in importance.

But it is the merchant banks which still cling most tenaciously to secrecy. In view of the success of the U.S. banks in the international markets, the U.K. merchant banks might well consider whether reticence is starting to be counterproductive.

Gilts spree

With the 1982 tap sold out yesterday, it looks as though the Government's gilt-edged sales programme is for the first time running ahead of last year's figures for the comparable period. In 1975-76 net sales of gilts to the non-bank private sector were some £3.8bn. and this year's target is probably only slightly higher at £4bn.

Until the middle of September the funding programme was slipping behind schedule. But since then gross sales have been well over £2bn. and although this exaggerates the net position, substantial progress has nevertheless been made. As at the middle of November, after seven and a half months of the financial year, cumulative net sales look to have been of the order of £2¾bn. Attention may now switch to the long tap while there is inevitably talk of a new short tap to-morrow.

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